

**General Assembly**
Economic and Social CouncilDistr.
GENERALA/42/314/Add.1 ✓
E/1987/77/Add.1
15 October 1987

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Forty-second session
Agenda item 12
REPORT OF THE ECONOMIC AND
SOCIAL COUNCILECONOMIC AND SOCIAL COUNCIL
Second regular session of 1987
Agenda item 3
GENERAL DISCUSSION OF
INTERNATIONAL ECONOMIC AND
SOCIAL POLICY, INCLUDING
REGIONAL AND SECTORAL
DEVELOPMENTSConcept of international economic securityReport of the Secretary-GeneralAddendum

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 2	2
II. SYNOPSIS OF MAJOR POINTS RAISED IN THE REPLIES	3 - 12	2
III. SUMMARY OF REPLIES BY GOVERNMENTS	13 - 39	5
IV. SUMMARY OF REPLIES BY AGENCIES	40 - 67	12

I. INTRODUCTION

1. In his report on the concept of international economic security (A/42/314-E/1987/77) the Secretary-General took into account views expressed by Governments and organizations of the United Nations system, but he indicated that a more detailed summary of those views would be issued as an addendum to that report.
2. The present addendum contains a synopsis of the major points raised in the replies submitted by Governments and by United Nations organs and agencies, followed by summaries of those replies.

II. SYNOPSIS OF MAJOR POINTS RAISED IN THE REPLIES

3. The Governments and United Nations organizations that responded to the Secretary-General's request for views submitted a variety of suggestions concerning the necessity, functions, structure and elements of an international economic security system. The thrust of the ideas submitted is that national economic security forms an indispensable part of a comprehensive view of national security, which thus goes beyond its traditionally narrower definition in purely political and military terms. The growing economic interdependence of nation States provides opportunities for a more rational international division of labour. It creates at the same time a higher degree of vulnerability to external economic threats.
4. The functions of an effective international economic security system are to reconcile and to harmonize sometimes competing and diverging national economic security interests. Nevertheless, legitimate national economic interests need to be taken into account, regardless of the socio-economic system or stage of economic development of the participating States. The basic criteria to be met are enhanced stability, predictability and reliability in international economic relations, including adaptation to changing international circumstances.
5. The elements of an international economic security system are appropriate, internationally agreed upon frameworks, consisting of principles, norms and rules that guide the behaviour of States in international economic relations. In addition to one or more general frameworks for the conduct of international economic transactions, the system also needs frameworks for different sectors of international economic relations, such as trade, monetary and financial relations, and the transfer of technology.
6. The establishment of an international economic security system requires the thorough review of the implementation of existing frameworks, the adaptation of existing frameworks to changing circumstances and the determination of the need for new frameworks. The economic policies of States have to adhere to commonly agreed basic principles and rules to create a constructive degree of confidence, stability and reliability in international economic relations.

7. The international economic security system has to proceed from the collective interests of all States. Conflicting national economic interests have to be reconciled before efforts to enhance collective economic security can be made. International economic security thus has to be based on the notion of collective, common security. There can be no national economic security of one State at the explicit expense of other States. Confidence-building measures in international economic relations have to form an integral part of an international economic security system.

8. The present system of international economic relations is characterized by various types of insecurity, instability and imbalance. The general framework for the conduct of international economic relations needs a thorough review. The existing frameworks are insufficiently well designed to accommodate the interests of all participating States (countries with developed market economies, countries with centrally planned economies and developing countries). Agreed frameworks are not always correctly adhered to and there is an obvious need for new frameworks in some areas.

9. The present situation is characterized by sizeable trade and financial imbalances, erratic exchange rate fluctuations, low and unstable levels of commodity prices, increased resort to protectionist, restrictive and coercive measures, and the very large indebtedness of many developing countries. These factors not only inhibit international economic security, they also create insecurities and instabilities. Measures to correct these insecurities have to include the creation of adequate frameworks for the conduct of international economic relations and economic policies of States based on such commonly agreed principles, norms and rules.

10. The instruments for the creation of an international economic security system have to comprise global, regional and sectoral arrangements. There are already a number of instruments for the establishment of regional economic security (such as the process associated with the Conference on Security and Co-operation in Europe, the Latin American Economic System and the Council for Arab Economic Unity) on which further developments can be built. The multilateral mechanism of the United Nations system has to be used for the review of the adequacy and state of implementation of existing frameworks, as well as for the elaboration of new global, regional and sectoral frameworks as required in the context of the creation of an international economic security system. This should include the review of economic policies and their implications for international economic security.

11. The proposals submitted by Governments also contain an indication of the necessary elements to be implemented as part of an international economic security system as well as references to the necessary steps to be taken. These steps include:

(a) The application of a comprehensive definition of national security, including that of national economic security;

(b) The review of existing frameworks and the creation of adequate frameworks for international economic co-operation with a view to enhancing stability, predictability and reliability in international economic relations, including

through security guarantees and commitments of States, this includes the re-examination of the principles, codes, norms and rules for the conduct of international economic transactions in different sectors, such as trade in manufactures, commodity trade, monetary and financial relations, energy co-operation and food trade;

(c) The review of economic policies and the reduction and ultimate elimination of restrictive, discriminatory or coercive measures in international economic relations;

(d) The elaboration and implementation of different types of confidence-building measures as an element of international economic security;

(e) The need for deliberations and negotiations in the United Nations on the main elements of an international economic security system, including security arrangements for different sectors or regions to be elaborated in United Nations specialized agencies or in the regional commissions;

(f) The carrying out, within the United Nations multilateral framework, of efforts to systematize and gradually to institutionalize the application of actions by the world community designed to ensure collective economic security; this includes the identification of insecurities, imbalances and contradictions (assessment function); the elaboration of the machinery and procedures for the management of crises (emergency function), including for the settlement of disputes; the formulation of principles, codes, norms and rules as standards for the behaviour of States in the conduct of international economic co-operation with a view to safeguarding and harmonizing national economic interests (regulatory function), the elaboration and implementation of measures, including institutional and advisory mechanisms, that ensure that joint gains in economic welfare reach all countries and all levels of society (equity function); and the adaptation of the multilateral mechanisms in order to carry out these functions;

(g) The elaboration of a comprehensive system of multilateral co-operation in science and technology;

(h) The review and consequent reduction of military budgets based on a realistic and comprehensive evaluation of national economic security interests, a reasonable assessment of external threats to national security and the consideration of mechanisms for the use of released resources for national and international socio-economic purposes;

(i) The identification, review and correction of economic policies based on one-sided and narrowly defined national security needs, and the examination of their implications for international economic security (coercive economic measures such as sanctions, embargoes, export controls and blockades);

(j) The review and elimination of existing imbalances and restrictions in international trade and monetary relations; the elaboration and application of measures to stabilize commodity markets, prices and related export earnings; the stabilization of exchange rates and the introduction of measures to prevent their

erratic fluctuations; the elimination of restrictive and protectionist trade policies; and the settlement of the indebtedness problems of developing countries;

(k) The elaboration of measures to enhance energy co-operation and to create greater security and predictability of supply, demand and price trends.

12. The concept of international economic security should be essentially dynamic because its aim is to ensure that international economic co-operation responds at all times to changing conditions and to new circumstances and requirements.

III. SUMMARY OF REPLIES BY GOVERNMENTS

13. Referring to the various documents of the United Nations, particularly those relating to the new international economic order, Afghanistan stated that interdependence led to a mutuality of interest to promote a secure, predictable and equitable global economic environment. This could be brought about through a multi-sectoral and co-operative approach involving the international community as a whole with a view to protecting each State against discrimination, sanctions, policies of blackmail and various trade and technological blockades. Afghanistan proposed that a global forum should be convened to deliberate about all issues that impeded smooth international relations. Possible early warning measures for the monitoring and assessment of emerging problems and for the elaboration of action-oriented recommendations to tackle those problems needed to be taken into account.

14. Algeria expressed concern that the prevailing economic imbalances were exacerbating the degree of insecurity, especially for developing countries, and had entailed an erosion of the foundations of the international system. To reduce the continuing polarization of the world, the North-South dialogue had to be revived. In this connection, Algeria emphasized the relevant documents of the Movement of Non-Aligned Countries and the United Nations resolutions on the new international economic order. The indivisibility of international peace and security as well as the interrelations of their political and economic dimensions demanded a global and coherent approach.

15. When placed in the context of the decisions on regional economic security adopted by the Latin American Economic System, Argentina saw international economic security as the sovereign right of all nations to choose their own path in the economic, social and political spheres, in peace and in freedom, free from outside pressures and threats. States had to refrain from coercive measures, particularly vis-à-vis developing countries, as laid down in article 32 of the Charter of Economic Rights and Duties of States (General Assembly resolution 3201 (XXIX)).

16. Brazil named the following basic elements of the concept of collective economic security: (a) the need to reformulate the international economic system as it was adopted in the post-war period; (b) the elimination of poverty; (c) equity, including preferential treatment for the developing countries, security against external pressures, permanent sovereignty over natural resources and full realization of the development potential of developing countries; (d) the enhancement of multilateral legal instruments, possibly through semi-continuous

negotiations; (e) reallocation of resources from armaments to development; and (f) the universal adoption of new mechanisms in the commercial and financial fields in line with the specific needs of developing countries.

17. Bulgaria attached considerable importance to measures in the economic sphere to strengthen international security. Increasing use of discrimination, protectionism, sanctions, economic blockades, embargoes and other measures had deteriorated the international economic climate, which had entailed uncertainty and particularly negative effects on developing countries. International economic security could be enhanced by continuing the process of restructuring international economic relations. Extensive use should be made of the progress achieved in that respect as laid down in the Final Act of the Conference on Security and Co-operation in Europe and a number of United Nations documents concerning the new international economic order. Due account needed also to be taken of the new conditions and realities in the contemporary world. International economic security implied above all the protection of the rights and interests of all States, including (a) stability in international relations; (b) disarmament for development; (c) non-discrimination against States with different social and economic systems or against countries at a lower stage of economic development; (d) desisting from coercive measures; (e) elimination of obstacles for the exchange of modern technology; and (f) a just and long-term adjustment of international monetary, financial and credit relations. Those issues should be the focal point for the activities of the social and economic bodies of the United Nations. Bulgaria supported the view that the holding of an international forum could be the next step in affirming the principles, objectives, content and form of a system of international economic security and in discussing the problems impeding the normal development of economic relations between States.

18. In the view of the Byelorussian Soviet Socialist Republic, the implementation of a comprehensive system of international peace and security, including international economic security, created unique possibilities for solving global problems by normalizing and improving international economic relations. For this purpose, it was necessary (a) to protect the legitimate economic rights and interests of each State and create strong international legal guarantees for their strict observance; (b) to abandon policies of discrimination, economic blockades and sanctions; and (c) to adopt measures that regulated the process of growing interdependence. Economic security presupposed putting a halt to the arms race and earmarking some of the resources saved for assistance to the developing countries. The Byelorussian Soviet Socialist Republic favoured the convening in the future of a world forum to discuss in a comprehensive manner everything that impeded world economic relations. It was also considered important to strengthen the role of the Economic and Social Council in solving problems of the world economy and in co-ordinating social and economic programmes throughout the United Nations system.

19. Colombia considered that strict compliance with the basic principles governing international relations, including those set forth in the Charter of the United Nations, formed the cornerstone of just and stable international economic relations. Any international economic security system must make an effective contribution to promoting economic and social development, particularly in the developing countries.

20. Referring to the growing imbalances and inequities in the world economy, which had aggravated the economic situation of the developing countries, and to the widening of the gap between developed and developing countries, Cuba argued that the situation could be alleviated by promoting international economic security. It advocated a number of confidence-building measures to bolster international economic security, including the implementation of principles and measures laid down in the United Nations Charter and the documents on the new international economic order. It emphasized the necessity of constructive dialogue, of solving the debt problem and of ensuring a continuous transfer of resources to the developing countries. Issues such as a new international monetary and financial system, the code of conduct for transnational corporations, the code of conduct on the transfer of technology, food security, complete disarmament and the transfer of some resources now appropriated for defence to economic development were of great importance. Cuba proposed a broad-based programme of action geared to the development of the developing countries, including through the United Nations and other development agencies of the system.

21. Czechoslovakia stressed international economic security as an integral part of international security as such. It advocated the adoption of compulsory international legal guarantees of the non-use of force and discrimination in international economic relations, as well as a commitment to solve key problems through joint efforts. Due consideration should be given to the interrelation of economic and political factors, especially between the arms race and its negative consequences for development. Of paramount importance for the achievement of international economic security would be the following measures: (a) joint efforts and political will of all countries, (b) reduction of military expenditures and the use of part of the released resources for the solution of global problems, (c) non-discrimination, (d) refraining from coercive measures, (e) just and long-term regulation of international monetary and financial relations, (f) peaceful technological co-operation, (g) stabilization measures for trade and finance and (h) research co-operation and the peaceful use of outer space. Czechoslovakia was convinced of the necessity of developing an overall concept of international economic security and of the need to convene a world congress on problems of economic security.

22. The Democratic People's Republic of Korea advocated the restructuring of the international economic order along the lines laid down in the relevant United Nations documents. It argued that global negotiations directed at the creation of a fair and stable international monetary and financial system for that purpose by convening a conference on money and finance, at a just and fair new trade order and at South-South co-operation should be launched as soon as possible. Such negotiations would benefit from the elaboration of a concept of international economic security.

23. Democratic Yemen viewed the concept of international economic security as encompassing all economic problems and aspects of the world economy. Measures had to be carried out at the local, regional and international levels. It was deemed important that structural adjustment in the developing countries should be supported by ending protectionism, reducing interest rates and guaranteeing adequate commodity prices. Democratic Yemen also stressed the central role of collective self-reliance among the developing countries. The principles of

international relations embodied in documents on the new international economic order should be carried out. Ending the arms race and diverting such resources to the development of developing countries would be critical. Democratic Yemen supported the convening of an international conference on money and finance for development, a multilateral dialogue on the subject of external debt and the conclusion of a code of conduct for transnational corporations.

24. Ecuador stressed that growing interdependence of States compelled all countries, rich and poor, developed and underdeveloped, capitalist and socialist, to reflect and to propose effective measures to correct the causes of the crisis that afflicted a broad segment of the world economy. Ecuador supported all efforts to achieve more equitable conditions in economic and trade relations and welcomed the initiatives and steps that the United Nations and its agencies were taking to that end.

25. The German Democratic Republic advocated the elaboration within the United Nations of a concept of international economic security as an essential component of an all-embracing system of international security. The call for international economic security arose directly from the complex interdependence in world economic developments, from the global nature of economic problems and from the new stage of scientific and technological innovation. The basic principles of international economic security were those embodied in the Charter of the United Nations and other United Nations documents. International economic security should generate reliability, stability and predictability in international economic co-operation and respect for the legitimate economic interests of all those involved, excluding arbitrariness and discrimination in that sphere. A system of international economic security should comprise a number of key elements, including the elimination of the sources of international economic conflicts and effective, comprehensive international forms of equal economic co-operation at the regional and global levels. The removal of underdevelopment, the easing of the external debt of developing countries, the shifting of military expenditures to economic development, and security of supply of food, fuels and raw materials should be priority tasks. The convening of a world forum to discuss all problems related to economic security would be an important step towards elaborating a global strategy for mutually advantageous economic co-operation.

26. To attain greater international economic security in support of its own development efforts, Honduras emphasized a number of issues that formed integral parts of any plan for international economic security. They included the elimination of barriers to trade, the establishment of a new international economic order, solving the debt problem of the developing countries and strengthening the rule of law in international economic relations, especially in international investments.

27. Hungary emphasized that it was in the interest of all countries to ensure that global imbalances in trade, finance and other fields were kept within "manageable" limits by strengthening stability and predictability. The concept of international economic security should contain growth-oriented strategies for (a) restructuring at the national level, (b) safeguarding the economic dimensions of international relations as much as possible, (c) maintaining a predictable trading environment,

(d) the free flow of technology, (e) overcoming the debt crisis and (f) shifting of resources from military spending to the development process.

28. Iraq argued that an international economic order based on principles of justice, equality and mutual benefit was an essential prerequisite for attaining international economic security. Referring to United Nations documents on the new international economic order, Iraq identified a number of major ways of strengthening international economic security. They included national and international efforts to diversify the economies of the developing countries as integral components of an interdependent global economy; abstaining from unilateral, coercive and discriminatory economic policies and practices; collective self-reliance; price, monetary and financial stability; solving the debt problem; restructuring of international economic relations, inter alia, through global negotiations, an international conference on money and finance and the establishment of codes of conduct for transnational corporations and on the transfer of technology; and strengthening of regional co-operation in a comprehensive framework. Iraq supported resolutions calling for the promotion of international economic security and the building of confidence in international economic relations on a just, equal and equitable basis.

29. Mongolia saw a need for all countries to put into practice the principles of the new international economic order as laid down in the relevant United Nations documents. The increasing internationalization of world economic relations, the extremely rapid development of science and technology, the growing awareness of common destiny and the emergence of new large-scale tasks affecting the interests of all mankind required the formulation of a new global approach and a new basis for ensuring global and national economic security. Regarding the latter, Mongolia advocated taking into account the basic principles of international relations. In particular it emphasized the need to guarantee free access to foreign markets on a non-discriminatory and equitable basis, to settle the debt problem and to shift military resources to development projects. Mongolia supported the proposal to convene at an appropriate time a world conference on problems of economic security and emphasized the role of the United Nations and its relevant organs in the elaboration of the concept of economic security.

30. Morocco considered the erosion of multilateralism closely connected with the growing crises in such areas as trade, money and finance. Those processes endangered the stability and buoyancy of harmonious international relations. Disarmament and economic development were the two most important challenges to mankind. Morocco advocated a concept of international economic security based on the Charter of the United Nations, taking into account the global dimensions of interdependence. Problems such as the protection of the environment, the shortage of natural resources, and demographic developments and their influence on production, consumption and exchange demanded a common solution. Regional integration was especially important. A third element of international economic security was a surveillance mechanism that would be in the interest of all countries.

31. Placing its views within the context of basic United Nations documents on international relations, Oman saw international economic security as primarily

determined by the food and debt crises, protectionism and restrictive business practices, commodity export problems, official development assistance, the problems of monetary and financial stability, and demographic issues.

32. Referring to the basic documents on the new international economic order, Pakistan emphasized its conviction that the resumption of the North-South dialogue with a view to implementing the principles of such a new global order was the most effective avenue to promote international economic security, particularly for the developing countries.

33. Also referring to the basic documents on the new international economic order, Peru considered it essential that the conceptualization of international economic security should focus on preserving the universally accepted principles concerning development. That would be a means of promoting effective international economic co-operation as a major element in achieving equitable solutions, especially for the most urgent problems facing the developing countries, so that a sustained development process could be established in a secure and favourable world environment.

34. Poland viewed international economic security not as a substitute for the new international economic order but as an instrument to attain the objectives of restructuring international economic relations. The principal emphasis should be on creating an external economic environment conducive to development and economic co-operation. A concept of international economic security could identify ways of removing existing disequilibria and negative phenomena in economic relations and of conceiving measures to expand co-operation in order to bring about stability and normalization of international relations in their global and regional contexts. Poland supported the establishment of a fund to assist the developing countries on the basis of cuts in military spending. It also advocated the formulation of a global programme of scientific and technological co-operation under the aegis of the United Nations. Moreover, it argued that it might be useful to elaborate a uniform code of conduct in international economic relations within the context of global negotiations.

35. Romania based its views on the perceived link among the problems of underdevelopment, political controversies and disarmament. They needed to be addressed jointly, in part to redeploy armaments for economic and social growth. A concept of international economic security needed to be formulated with reference to the basic principles of international relations as expressed in the Charter of the United Nations and the documents on the new international economic order. Particular attention should be devoted to the settlement of the external debt problem, the restructuring of the international monetary and financial system, and the regulation of international trade, including the abolition of protectionist measures and the linking of commodity prices to the prices of industrial goods. Developing countries should have unhindered access to the achievements of science and modern technology. Romania supported the idea of holding international conferences on global problems and on the restructuring of the international monetary and financial system.

36. Important elements concerning international economic security, in the view of Tonga, included the reduction of protectionism, freer labour mobility, the full

exploitation of comparative advantages in areas such as regional co-operation, ensuring fishing rights, development assistance, proper nuclear waste management and full realization of the principles of international economic relations as embodied in various United Nations documents.

37. The Ukrainian Soviet Socialist Republic considered that the basic goal of a concept of international economic security was to open the way for the normalization and improvement of international economic relations in the interest of all States. Important elements of the concept were the further realization of the basic principles of international relations and the new international economic order, settlement of the external debt problem, appropriating military budgets for the economic development of developing countries, and finding solutions to global problems such as economic backwardness, famine, poverty, epidemic diseases, illiteracy, shortages of energy, raw materials and foodstuffs, protection of the environment and peaceful exploration of the oceans and of outer space. The Ukrainian Soviet Socialist Republic was in favour of convening in the future a world-wide forum at which everything that hampered international economic relations could be discussed in a comprehensive setting.

38. The views of the Union of Soviet Socialist Republics were based on the principles put forward regarding the establishment of a comprehensive system of international security in the economic field and on the memorandum of the Soviet Government on this issue (A/41/118). The basic aim of a concept of international economic security was to pave the way for normalizing and improving international economic relations in the interest of all countries. It was very important to safeguard the legitimate economic rights and interests of every State and to establish reliable guarantees that they would not be infringed. Accordingly, international economic security might be defined as that state of the world economy and international economic relations which, being based on the principles of justice, democracy and mutual benefit, creates conditions for peaceful coexistence and co-operation among all States regardless of their social and economic systems and other differences between them. An important objective of that concept should be a precise definition of guidelines and procedures for developing systematic dialogue and co-operation among all States, at both bilateral and multilateral levels, on the basis of the accepted principles of international relations. The USSR stressed, inter alia, the following main topics of international economic security: (a) the abolition of global economic disequilibria such as the debt crisis, monetary and financial instability, fluctuations of raw materials markets, exploitation by international monopolies, protectionism and politically motivated trade barriers; (b) finding a solution for global problems such as famine, diseases, poverty and the peaceful use of outer space and of the oceans; (c) earmarking part of military budgets especially for the economic development of developing countries; (d) launching a global programme of scientific and technological co-operation under the auspices of the United Nations as one aspect of its role in guaranteeing international economic security; and (e) renunciation of policies of discrimination, economic blockades and sanctions. It advocated strengthening the role of the Economic and Social Council in elaborating solutions to the most urgent global economic problems and in co-ordinating social and economic programmes throughout the United Nations system. The USSR called for a world forum to be convened at some future date to discuss all the issues hampering world economic relations.

39. Viet Nam believed that the threats to security in development and international economic relations stemmed from unresolved issues in international relations. The creation of an international economic security system was an urgent task that might help to resolve several interrelated issues of international relations. The following measures, inter alia, are identified to ensure such a system: (a) true negotiations to establish a new international economic order, (b) expansion of co-operation among States regardless of economic systems and levels of development, (c) diversion of military resources to economic and social development and (d) strengthening of international relations on the basis of the Charter of the United Nations.

IV. SUMMARY OF REPLIES BY AGENCIES

40. In their responses to the Secretary-General's request for views, some organs and organizations based their replies on the basic rules and principles of their organizations or on relevant resolutions adopted by intergovernmental bodies (Economic Commission for Latin America and the Caribbean (ECLAC), General Agreement on Tariffs and Trade (GATT), International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD) and United Nations Fund for Population Activities (UNFPA)). Three replies were explicitly identified as the personal views of the head of the respective organizations (Economic Commission for Europe (ECE), United Nations Development Programme (UNDP) and Office of the United Nations High Commissioner for Refugees). Other replies were submitted on behalf of the head of the organization (International Atomic Energy Agency (IAEA) and World Bank). The Secretary-General of the International Maritime Organization (IMO) reported his intention to consult the IMO Council for information and action. The United Nations Educational, Scientific and Cultural Organization and the United Nations Relief and Works Agency for Palestine Refugees in the Near East responded that General Assembly resolution 40/173 did not fall within their competence. The World Meteorological Organization was willing to contribute to the implementation of resolution 40/173 but had no views to offer.

41. Almost all replies referred to the actual priorities of the respective organizations, which were seen as part of an international system geared, inter alia, to the promotion of international economic security. In this connection, GATT, IMF and UNCTAD in particular stressed two observations: (a) their main rules and basic principles were in fact elements of a system of international economic security and (b) the many concerns about international economic security were at the root of the creation of the organization.

42. A wide range of replies emphasized the fundamental importance of international economic security in a world with growing interdependence. In a highly internationalized world, whose interdependence kept growing, no country could successfully develop without participating in the international division of labour. The expansion of international economic relations resulted in an increase in productive resources and served as a major determinant of international stability.

43. The secretariat of UNCTAD identified the following as the major aims of an international economic security system: (a) the prevention of nuclear disaster, (b) the elimination of existing mistrust among countries, (c) the elaboration of solutions to global problems, (d) the overcoming of underdevelopment and backwardness in the developing countries, (e) economic co-operation and (f) ensuring that all countries had the chance to plan their own development path. The link between military-political security and economic welfare was stressed. The UNCTAD secretariat also suggested for discussion the following definition of a system of international economic security:

A complex of conditions, which, if created and maintained under the circumstances of growing interdependence resulting from increasing internationalization of the world's economic activities, will guarantee to all States, regardless of their economic potential, level of social and economic development and political system, the possibility of assuring their independent economic development on the basis of equal participation in the international division of labour and economic co-operation built on the basis of the former. This system also includes the joint search for solutions to global problems of common humanitarian character.

44. The UNCTAD secretariat emphasized that the Charter of Economic Rights and Duties of States could provide a convenient starting point for the elaboration of a new framework for comprehensive international economic security. Insecurity in an interdependent world economy stemmed to a large extent from the non-observance of existing internationally agreed principles. To promote more effectively the system of international economic security, it was deemed necessary to strengthen multilateralism in general and the United Nations and its specialized agencies in particular. Any comprehensive system of international economic security affected virtually all major areas of concern to UNCTAD. In that regard, the strengthening of the trading system, as elaborated in various UNCTAD documents, could contribute in a major way to the elaboration of such a system. An action programme was proposed in which UNCTAD could play a leading role.

45. The Director-General of GATT, whose main preoccupation was to ensure predictability and equity in trade relations, pointed out that the quest for international economic security had been at the origin of the creation of the organization and had been the driving force behind its survival for over 40 years. The two principal aims were (a) a system of rules designed to increase predictability by seeking order in trade and (b) to establish an institutional basis for multilateral trade liberalization.

46. The Director-General restated the two main rules of GATT - non-discrimination and the prohibition of all forms of trade-restrictive practices - and stressed that the GATT system was characterized by flexibility and pragmatism. The organization paid particular attention to the participation of developing countries in world trade in an effort to provide them with more favourable conditions of access to world markets, to support a reduction of their reliance on the production and export of a few primary commodities, and to eliminate measures that restricted and distorted trade especially when they were applied unilaterally or through bilateral or sectoral arrangements. GATT saw slow growth, price shocks,

investment-inhibiting uncertainties, exchange rate volatility and large-scale capital movements as elements of instability in the world economy that lessened economic security.

47. In an increasingly interdependent global economy, all countries had a stake in trade liberalization and in a strong, open multilateral trading system. The increased volume of trade and the ongoing product diversification of developing countries were two reasons for the growing involvement of these countries in GATT. In the new round of trade negotiations, the fuller participation of developing countries in the GATT system could be expected. This would be facilitated by providing an appropriate degree of flexibility to accommodate the particular needs of those countries as they adopted measures to liberalize their trade too. Those measures in turn would strengthen the security of the environment within which those countries sought to promote and accelerate their economic development.

48. The reply of the secretariat of the United Nations Industrial Development Organization (UNIDO) dealt with the concept of international economic security solely from the standpoint of the developing countries. The secretariat identified three broad areas of particular concern: (a) the diversification of the commodity composition of exports of developing countries; (b) the increase of foreign exchange resources, inter alia, by discouraging capital flight and by reversing capital outflows; and (c) overcoming the current agricultural crisis since even the best-designed national economic policy on food security could only succeed if combined with concerted international action.

49. Most current programmes of UNIDO were designed to assist developing countries, directly or indirectly, in the choice, formulation and application of industrial strategies and policies to enhance their economic security. While there was no single policy or strategy that would enable all developing countries to bolster their economic security, the long-term self-sustaining economic development that was fundamental to national economic security required at least some critical inputs from the domestic industrial sector.

50. The secretariat of the International Fund for Agricultural Development stressed that food security had to be tackled at the international, national and even local levels to provide an appropriate response when disasters occurred. An important solution lay in enhancing the food production of poorer countries. Food security also required that structural adjustments targeted at the needs of the rural poor should be enacted.

51. The secretariat of the Food and Agriculture Organization of the United Nations (FAO) stressed that the broad context of international economic security covered almost the whole range of its activities. The most relevant areas for FAO were commodity policies, trade and world food security. The latter had three underlying goals: (a) to attain desirable levels of food production, (b) to increase the stability of the food supply and (c) to ensure access to food supplies when needed. The secretariat emphasized the need to improve the responsiveness of food aid to emergencies.

52. The secretariat of the World Health Organization stated that international economic security could not be achieved without a much greater degree of economic sovereignty at the level of individual States. To achieve greater national economic security, changes in both domestic and international policies might be required. Such transformations needed to take humanitarian consequences into account, for a healthy, educated and productively employed work-force fostered national economic security.

53. The secretariat of UNFPA stated that the attainment of international economic security could be influenced by a number of events. However, the relationship of various aspects of a country's population with economic and social development had become crucial for fostering greater security. Changes in population size, growth, structure and distribution in developing countries had far-reaching consequences for the global economic, social and political order. Rapid population growth exacerbated economic and social problems, such as food insecurity, unemployment, below-minimum health care, poverty and inadequate urbanization. To meet that challenge, priority needed to be given to an integrated approach that took into account the interrelation between population and development in national and international policies.

54. The secretariat of UNFPA emphasized the necessity of including all aspects of human settlement in an overall development strategy. Such a way of tackling that basic need, which should have the highest priority in development policies, offered a sound alternative to conventional import-substitution or export-promotion strategies. A sustained effort to enhance the human development sector promoted national economic security, particularly in developing countries. That in turn was deemed to be the most effective way of enhancing international economic security.

55. The secretariat of the International Civil Aviation Organization (ICAO) stressed that international economic security depended on an efficient and economic global air transport system. One of the main objectives of ICAO in the air transport field was the economic security of developing countries.

56. The secretariat of the International Telecommunication Union believed that good telecommunications, both domestic and international, was a key ingredient of international economic security. The organization would continue to assist developing countries in improving their communication infrastructure.

57. The secretariat of IMF replied by quoting the purposes of the organization, as stated in article 1 of the Articles of Agreement of IMF.

58. The secretariat of the World Bank stated that the organization was making an important contribution in co-ordinating international action directed at promoting economic security, particularly by restoring economic growth in developing countries. Major issues were structural adjustment loans, International Development Association lending and bolstering private investment. To foster economic security, developing countries needed to bring their economies back to a path of sustained growth. Steady expansion of trade was of major significance in the strategy. Other objectives of the development process were acceleration of the development of human resources, alleviation of poverty, protection of the environment and an increased role for women.

59. The International Labour Office stated that its organization was developing approaches and strategies to distribute more equitably the burden of adjustment to external shocks. Discussion and agreement among social partners were essential in devising such strategies and in ensuring that they were effectively adhered to. Furthermore, assistance to developing countries in devising policies that promoted employment and income-generating activities for the poor enabled their economies to be more resilient and therefore less vulnerable to the vagaries of the world economy.

60. The secretariat of IAEA considered that its technical co-operation programme enhanced the self-reliance of developing countries and thus strengthened economic security directly and indirectly.

61. The Administrator of UNDP attached considerable importance to the concept of international economic security. A necessary pre-condition was national economic security, which UNDP sought to enhance through its country programmes and projects of technical co-operation. International and regional co-operation in economic matters needed also to be encouraged through regional and global programmes that promoted international economic co-operation. International economic organizations had to respond to the changing environment and adapt themselves to new circumstances. In that way, they could contribute to the attainment of international economic security.

62. The secretariat of ECLAC centred its consideration of the topic on regional economic security. International economic security depended on groups of countries at the subregional or regional level adopting specific mutual co-operation plans. Regional organizations could support countries facing coercive economic measures from abroad.

63. The secretariat of the Economic and Social Commission for Western Asia stressed that economic, political and social security at the national and international levels were all interrelated. In its view, it was imperative to enact measures at the country, subregional and regional levels before embarking on any international economic action. However, general criteria worked out at the global level could serve as guidelines for policies, objectives and strategies. Multilateral and regional organizations must play a more concrete and effective role in increasing economic co-operation among member countries.

64. The Executive Secretary of ECE referred to the prevailing different norms or approaches to international law. It was deemed difficult to reconcile those opposite views on the mere basis of a new overall instrument on international economic security aimed at by the proponents of General Assembly resolution 40/173. Regarding the role of ECE in international economic security, the Executive Secretary stressed that all ECE activities could legitimately be seen as contributing to stability and predictability as envisaged in fostering international economic security. There were at least two ways in which ECE enhanced that process: (a) the promotion of East-West trade and other economic intercourse and (b) the work on the Overall Economic Perspective of the ECE Region to the Year 2000. The regional commissions were deemed to be well-suited to promote concrete steps that enhanced mutual interest and benefit, which was being increasingly recognized in international law.

65. The secretariat of the Economic and Social Commission for Asia and the Pacific summarized major economic developments in its region. It viewed international economic security as resulting from adaptability and flexibility in the domestic economy and from stability in the external environment. International economic security for the small and medium-sized economies of the region was very much a product of the ability to adjust to changes in the international economy and to make profitable use of those changes.

66. The United Nations High Commissioner for Refugees believed that the assistance for refugees and returnees through developmental activities would represent an important contribution to international economic security.

67. The secretariat of the United Nations Environment Programme remarked that development programmes, including those of international organizations, should be sensitive to environmental factors.
