

its sixth and seventh special sessions and its thirtieth session attested to the strong desire of developing countries to promote trade and other forms of economic co-operation among themselves. Latin American countries had provided noteworthy examples of effective action in that regard. Recently, in Africa and Asia some innovative steps had been taken which should bear fruit in due course.

38. However, it was not likely that the growing import requirements of developing countries could be paid for wholly through their own exports. The struggle against poverty and underdevelopment could not be won without an adequate flow of finance from developed countries. The world community had set a target in that respect, but it was obviously still far from being achieved. It could be argued that private capital represented an important source of development finance, and each country was entitled to decide whether it wished to obtain private foreign capital and, if so, to enter into appropriate arrangements for that purpose. It must not be forgotten, however, that private capital transactions took place on commercial terms and that private foreign capital, however useful it might be for some countries, could not be equated with financial assistance. Furthermore, experience had shown that private foreign capital tended to be concentrated in a small number of developing countries.

39. Understandably, therefore, it was the target for official development assistance, comprising grants and loans on concessional terms, that attracted attention. However, attention did not always imply implementation, and the general picture, despite the remarkable efforts of a few developed countries, remained bleak. The consequences were particularly grave for low-income developing countries, most of which were in Africa and Asia.

40. For a large number of developing countries, the financial problem was made more difficult by the fact that the burden of their external indebtedness had become alarming. It was unfortunate that it had not been possible

to resolve the problem at the fourth session of UNCTAD. He had no doubt that as members examined the results of UNCTAD's proceedings, considerable attention would be given to the debt question. It was important that the forthcoming discussions on the matter within the framework of UNCTAD should yield results. He hoped that the Paris Conference on International Economic Co-operation would also help to deal with that and other outstanding development issues.

41. The search for bold and imaginative means to speed up development and to eradicate poverty must continue. Developing countries themselves were intensifying their efforts, and the meetings to be held by them in the coming months would surely give new impetus for economic and social change. The Council would await with interest the results of the Fifth Conference of Heads of State or Government of Non-Aligned Countries, to be held at Colombo, and the Conference on Economic Co-operation among Developing Countries, to be held at Mexico City. The Council had also noted the proposal by the Prime Minister of Pakistan that a summit conference of third world countries should be convened.

42. For the Economic and Social Council, there was no greater challenge than the need to bring about a just and humane international economic order which ensured progress and peace for all. All countries, rich and poor, must wholeheartedly participate in that global undertaking. The efforts made by both developed and developing countries during the Council's meetings, and particularly the adoption at the 2020th meeting of the Declaration of Abidjan, had given a glimpse of what could be achieved when men and women of goodwill put their minds and hearts into a common cause – the well-being of man.

43. He declared closed the first part of the sixty-first session of the Economic and Social Council.

*The meeting rose at 5.45 p.m.*

## 2022nd meeting

Wednesday, 21 July 1976, at 10.45 a.m.

*President:* Mr. S. AKÉ (Ivory Coast)

E/SR.2022

### AGENDA ITEM 4

**Regional co-operation (E/5607 and Corr.1 and E/5607/Add.1-2, E/5727 and Add.1-2, E/5781, E/5783-5786, E/5801, E/5802 (chap. III, sect. E), E/5835 and Corr.1 and E/5835/Add.1, E/5858)**

1. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia), introducing the annual report of ECWA (E/5785), said that, despite the recent trend towards economic recovery, world inflation and unemployment were still formidable problems. The situation had had

adverse effects on the already vulnerable trade and payments position of developing countries, affecting their terms of trade and export earnings and increasing their current account deficits. Moreover, the international community continued to be faced with a number of structural problems and urgent issues in the economic and social fields, including food shortages, population pressures, the ever-widening gap in living standards between developed and developing countries, instability in the international monetary system, unemployment and underemployment, and problems to do with the transfer of technology to developing countries, the role of women in the development process and the exploitation of the sea-bed.



2. There had been a number of important developments during the past year, including various regional and inter-regional meetings on issues affecting the interests of the international community as a whole. The countries of the ECWA region had played a prominent role in all those meetings, thus demonstrating their awareness of the common interest of all mankind and of the need to establish a new international economic order that would bridge the gap separating the advanced from the developing countries, which was the greatest challenge facing the international community. The meetings were striking evidence of the desire of the world community to lay new foundations for international co-operation, to avert confrontation and to overcome their differences through negotiation. A great deal nevertheless remained to be done before the new economic order could emerge.

3. While economic activity in the ECWA region had remained generally buoyant in 1975 — with the exception of Lebanon, whose output had been adversely affected by events since April 1975 — there was evidence of a slowing down in the rate of income growth compared with 1974. Whereas in 1974 the low rate of expansion in the region's production of crude oil (4.4 per cent) had been more than offset by the steep rise in oil prices, the sharp drop in output in 1975, estimated at about 12 per cent, had been accompanied by only a relatively moderate price increase. Thus, while in 1974 the region's oil revenues had reached \$43,000 million compared with \$9,200 million in 1973, the figure for 1975 differed little from that for the year before. Budgetary outlays, on the other hand, had risen even faster than in 1974 in many countries. Inflationary pressures in the region, although generally less pronounced than in 1974, had remained strong in 1975.

4. While the origin of inflationary pressures lay to a considerable extent outside the region, the low level of food production and increased public expenditure had also played a part. As a result of weather conditions, agricultural production had been uneven, which, together with the growth of other sectors, had resulted in a gradual decline in its relative importance. The pace and prospects of industrialization, on the other hand, had continued to improve. Large investment in the industrial field was planned by several countries of the region. New projects for the production of fertilizers, petrochemicals, aluminium, iron and steel and cement were under way or being considered. In view of the similarity of the industrialization programmes of a number of countries, co-ordination was urgently required to reduce duplication and waste.

5. Record exports in 1974, when their dollar value had more than doubled, had enabled the countries of the region to raise their currency reserves from \$8,000 million in 1973 to \$22,800 million by the end of 1974. The region's over-all reserve position had shown a further substantial improvement in 1975, despite a 5 per cent decline in total exports during the first nine months of the year.

6. Development planning in the region had advanced because there was greater awareness of the need for development to be a comprehensive and integrated process. Countries of the region were going in for more planning and

modernizing their administrative, legal and educational systems in line with development objectives.

7. Despite positive developments in such areas as education, health, social welfare, and the participation of women and youth, social development still lagged behind. More emphasis was required on increased production and higher employment, on fairer income distribution, on a better balance between regions and between rural and urban areas, on population policy in the face of fast population growth and on reform of the educational system to meet manpower needs. Planners in the region should give increasing attention to problems of urbanization and damage to the environment associated with the growth process as well as to problems related to human settlements and the rural environment.

8. The ECWA region was entering the second half of the 1970s with a relatively satisfactory record of economic and social progress and improved prospects resulting mainly from its newly acquired wealth. Like other developing countries, however, the countries of the region were still faced with many structural and economic problems, while new challenges constantly emerged. Among the more serious and long-standing problems facing the region were wide income disparities and structural imbalances. The region included some of the richest countries and some of the poorest, while within countries there were wide gaps in income between the rural and urban population. Structural imbalances included not only the overwhelming dependence of the countries of the region on one sector — oil in some countries or agriculture in others — and the generally low level of industrialization, but also the predominant role of the external sector and its vulnerability to outside factors and to infrastructural and manpower bottlenecks. A great deal remained to be done before regional co-operation and integration became a reality.

9. In the short and medium term, the oil-producing countries had become still more dependent on a commodity of world-wide interest, with all that implied for their freedom of action. They were also faced with the problem of converting their wealth into productive assets. At the same time, they had to guard against inflationary effects and the bottlenecks that large outlays over short periods could bring about.

10. Many of the problems hindering faster development in member countries could more easily be solved in a regional context. The recent steep rise in oil revenues had given the major oil-producing countries a financial surplus, part of which could be put to good use in combination with the resources available elsewhere in the region, hitherto unexploited for lack of finance. There was a need for more consultation with a view to ensuring a flow of capital from the richer to the poorer countries in their mutual interest, financing studies on promising projects and creating a favourable climate for investment. Some countries of the region with abundant capital suffered from severe shortages of human resources, but the flow of labour to those countries had generally been sporadic. Countries of the region might wish to co-operate closely in planning their future human resources requirements, as recommended in the Plan of Action established by the Joint ECWA/ILO



seminar on Manpower and Employment Planning in the Arab Countries held in Beirut in 1975.

11. Food shortages were among the most serious problems facing the countries of the region. The survey carried out by the secretariat in six countries had shown the seriousness of the present situation and the probability that the gap between supply and demand would widen both in the medium and long term unless far-reaching measures were taken. Although ecological and climatic conditions restricted the production of certain foodstuffs, there was still considerable scope for increasing the production of others, such as wheat, vegetable oils, meat and other animal products. Growing efforts by individual countries to develop agriculture in general, and irrigated agriculture in particular, could help to reduce the region's heavy dependence on food imports. In the long term, however, more attention would have to be given to developing agriculture on a regional basis, since the scope for action by any individual country would remain limited.

12. If industrialization was to be an effective instrument for modernization and development in the region, certain prerequisites would have to be satisfied. Factors such as the small size of the market and shortages of manpower and raw materials would make it difficult to establish industries of optimum economic size except through the co-ordination and integration of industrialization programmes.

13. The countries of the region had recently made efforts to reinforce their ties through the establishment or strengthening of institutions for the promotion of regional co-operation and integration, the setting up of joint ventures, the conclusion of co-operation agreements, and co-ordination and harmonization of plans. The Arab Monetary Fund had been established, with an initial capital of 250 million Arab dinars, and the capital of the Arab Fund for Economic and Social Development had been increased to Kuwaiti dinars 400 million. The main source of financial assistance was still through bilateral channels. The chief beneficiaries of the Funds' lending operations had been Jordan, the Syrian Arab Republic, Democratic Yemen and Yemen. The major donor countries for bilateral flows had been Kuwait, Saudi Arabia and the United Arab Emirates and the major recipients Jordan, Oman, the Syrian Arab Republic and Yemen.

14. The richer ECWA countries had doubled their contribution to development activities by granting substantial aid to countries within and outside the region. Their contribution was particularly evident in the loans extended by the region's investment and development funds and other institutions for financing projects at reasonable rates of interest, in bilateral loans and grants, in assistance provided through United Nations institutions and specialized agencies and in contributions to special facilities set up by OPEC.

15. The Arab Funds had provided direct loans to developing countries in Africa and Asia amounting to about \$1,000 million. Member Governments had contributed to the capital of the Arab Bank for Economic Development in Africa, which had approved loans totalling \$85 million to 13 non-Arab African countries, and to the Islamic Soli-

darity Fund and the Islamic Development Fund. Bilateral loans and grants amounting to about \$1,500 million had also been made to several countries in Africa and Asia. Through OPEC, a fund now amounting to \$1,000 million had been established, which would be used to provide long-term interest-free loans to developing countries: OPEC members were also expected to provide 40 per cent of the capital of IFAD. By December 1975, grants and soft loans amounting to \$142 million had been extended by the Arab oil-producing countries to 28 countries in Africa under the Arab-African Oil Assistance Fund established in January 1974 to help those countries to meet their increased oil import costs.

16. The oil-producing countries of the region were among the major contributors to the IMF Oil Facility and had contributed to the World Bank Third Window Facility, the United Nations Emergency Fund, WFP, UNESCO and UNRWA. The major oil-exporting countries, particularly Kuwait, Saudi Arabia, Abu Dhabi and Qatar, had also entered into a number of co-financing arrangements with the World Bank. The Arab Fund for Economic and Social Development had contributed to the financing of several World Bank and IDA projects. New and broader avenues of co-operation with countries in other regions were constantly being sought.

17. ECWA had aimed at co-operating with other similar regional and international organizations and at co-ordinating its work and activities with theirs. The Commission had also endeavoured to supplement the development work of the countries of the region and to meet their needs within its means and resources. It had paid special attention to adapting its work programme to the requirements and guidelines established by the General Assembly and the Council and in particular to those set forth in the resolutions of the sixth and seventh special sessions of the General Assembly.

18. During the past year, the Commission had encountered serious difficulties because of the unfortunate events which had occurred in Lebanon since April 1975. The secretariat had nevertheless succeeded in completing most of its work programme. At its third session, the Commission had agreed to a temporary relocation, and the secretariat was negotiating a move to Amman with the Jordanian authorities while maintaining an operational office in Beirut. The decision had not been taken earlier for a number of reasons, including Lebanon's need for assistance from the United Nations system and the Commission's crucial co-ordinating role in that respect. The Secretary-General of the United Nations had appealed to the international community to assist Lebanon and had established a \$50 million trust fund for the purpose, designating the Executive Secretary of ECWA as Co-ordinator for international relief in Lebanon.

19. At its third session, the Commission had given special consideration to a number of issues, including assistance to the least developed member States, identification and evaluation of development projects, co-operation with regional institutions, the reconstruction and development of Lebanon, the Euro-Arab dialogue and demographic,



economic and social studies and research concerning the Palestine Arab people. The Commission had also decided to establish a voluntary fund, the resources of which were to be utilized to promote economic and social development in member countries, particularly the least developed countries.

20. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa), introducing the annual report of ECA (E/5783), reminded the Council that, when addressing it at Abidjan (2008th meeting), he had referred to the basic social and economic problems facing the region and the secretariat's assistance to member States in tackling those problems. In particular, he had drawn attention to the Secretariat's efforts to interpret the various resolutions on the establishment of a new international economic order in relation to the special circumstances of the African region.

21. External factors, such as persistent world inflation, fluctuations in commodity prices, and the slowing down of economic activity in the OECD countries which began in the first half of 1974, were still having an effect on economic and social conditions in Africa in 1976. Although there were now definite signs of an up-swing in economic activity in the OECD countries, it was not likely to have a significant impact on African exports for another year or two. The *per capita* GDP of the least developed countries was expected to grow at the rate of about 1.2 per cent per year for the remainder of the 1970s, while that of the middle-income countries (excluding the six oil-exporting countries) was expected to grow at 2.8 per cent per year. A major factor affecting projected growth rates was that the advanced countries had been cautious in their reflation policies because of the inflation and balance-of-payments difficulties with which recoveries now seemed to be linked. Consequently, primary producers' exports were benefiting less than might have been expected; that phenomenon would probably continue for a few years.

22. Short-term economic difficulties had coincided with the failure of long-term development strategies. Most development plans had been shelved in 1974-1975 and in cases where new plans should have been put into effect they had been postponed and reassessed. In agriculture, stress had been laid on improving planning and encouraging integrated rural development, mixed farming, and the improvement of agricultural institutions and services. The secretariat had devoted considerable attention to improved seeds, fertilizers, simple farm technology, including adaptation of technology, and distribution. Methods of increasing the food supply had also been made known by seminars and advisory missions to the Ministries of Agriculture of member States. ECA's work in the Sahel area had embraced river basin development for irrigation and navigation, livestock development, the dairy industry and over-all agricultural development.

23. The most important event in industry had been the third Conference of African Ministers of Industry at Nairobi in December 1975, which had made recommendations on institution building, intra-African co-operation in industrial development, and on a programme of world-wide consultations on the redeployment of production capacity. The recommendations stemmed from the Lima

Declaration and Plan of Action adopted by the Second General Conference of UNIDO, and had led to the preparation of a comprehensive industrial development programme for the period 1976-1981, covering all aspects of industrial policies and planning, multinational co-operation in the development of basic industries, institution building, and development of small-scale and rural industries.

24. In the field of trade, considerable efforts had been put into preparations for the fourth session of UNCTAD. Increasing attention had also been given to problems of intra-African trade, and to trade issues arising from proposals for economic co-operation among developing regions and countries. Action continued in the building up of institutions, an outstanding example of which was the Association of African Trade Promotion Organizations.

25. In transport, communications and tourism, work had continued on the Trans-African Highway and the Pan-African Telecommunication Network. Advice and technical assistance had been provided to African Governments on tourism. A comprehensive report on problems of maritime shipping in Africa had been prepared by a joint ECA/UNCTAD/IMCO mission sponsored by UNDP; its implementation was now under consideration. Institution building continued to play an important part in the secretariat's work on transport.

26. In the area of socio-economic research and planning, ECA had begun to work more vigorously towards the integration of the social, technological, managerial and natural resources components. Attention was also being given to sectoral aspects and to problems of the location of economic activity. The secretariat was also paying increased attention to current critical issues such as unemployment and mass poverty.

27. With regard to economic co-operation, the UNDATS at Lusaka, Niamey, and Yaoundé had continued, in collaboration with intergovernmental programme committees, to formulate and implement multinational projects at the subregional level in all economic sectors. An ECA/UNDP review mission on future subregional arrangements and integration of the programmes of the UNDATS with the over-all Commission programme had completed its work and its report would be submitted to the ECA Conference of Ministers early in 1977. The secretariat had continued to give assistance to Governments and intergovernmental organizations at their request in strengthening existing economic groupings and creating new ones. In particular, assistance had been given to the Economic Community of West African States in drafting protocols for establishing the Community. Assistance had also been given in creating institutions for co-operation in cartography and mineral resources in Kenya and Tanzania.

28. The Social Development Division had continued to emphasize integrated rural development, the advancement of women and social welfare training. It had established a Training and Research Centre for Women in the secretariat. Progress had been made towards convening the second Regional Conference of Ministers of Social Welfare and establishing a Regional Training and Research Centre for



Social Development in Africa in the coming year; training programmes and workshops had been carried out on the methodology and practice of integrated rural development.

29. The programme of statistical development had been brought more fully into line with sectoral needs and priorities, and data compilation was being consolidated in a regional data bank, which would incorporate a documentation and information centre. Special attention was being given to data on production, trade and prices for the principal commodities, the development of a more comprehensive system of price statistics, and the introduction of a new external trade publication with analytical data. Greater assistance would be given to the development of national statistics and accounts.

30. Steps had been taken towards the establishment of a Regional Remote Sensing Satellite Ground Receiving and Data Processing Centre; a regional centre for services in surveying and mapping had been established, and the expansion of the physical facilities of the Regional Centre for Training in Aerial Surveys had been discussed; an African Association of Cartography had also been established, and agreement reached on the establishment of a Mineral Resources Development Centre.

31. Preparations had been proceeding for a Meeting of Experts on Hydrological Problems in Africa, the African Regional Water Conference preparatory to the United Nations Water Conference, and the Second African Meeting on Energy.

32. UNEP had provided funds for a mission to evaluate existing environmental protection machinery in selected African countries, which had aroused considerable interest.

33. In the field of administration and management, the main activities had been concentrated on consultancy and advisory missions to a considerable number of countries.

34. The manpower development programme had focused on the development of national training services, assistance in training African personnel in priority areas, and the provision of guidelines for the reform of education and training systems. In personnel training 150 long-term and short-term fellowships had been awarded and a new programme started for the training of African management educators. A study for the assessment of key professional, administrative and technical manpower requirements was at an advanced stage, and a study on the use of high-level manpower in certain countries was nearing completion. A two-volume directory of African specialists and consulting organizations had been produced.

35. The manifold activities of ECA were a reflection of the increasing realization that the socio-economic problems of the region were growing more complex and more urgent, that its dependence on external forces was increasing, that many of its member States still lacked the capacity for self-sustaining growth and diversification, that whatever the scale of external aid, the region must depend to a great extent on its own efforts, and that resolutions and programmes solved nothing without determined action. That was the background to the "Revised framework of

principles for the implementation of the new international economic order" and the medium-term plan for the period 1978-1981 (see A/31/38, chap. III, sect. E).

36. ECA had the necessary specialized knowledge and regional contacts to make the contribution expected of it. It should be stressed, however, that socio-economic change in Africa was not susceptible to treatment in terms solely of the familiar categories of economic analysis. The very meaning of capital, of manpower, of technology and of management required particular rather than general interpretations in developing Africa. Neither markets nor market forces had the same connotation as in advanced societies. The role of the Commission was to serve as a medium through which member States and the secretariat collectively educated each other on ends and means of socio-economic policy and on the management of socio-economic change. The capacity of the secretariat was thus, to a substantial extent, a reflection of the will of the United Nations to assist Member States in understanding the totality of the process of socio-economic change. It was tempting to fall into the error of believing that the secretariat's mission was confined to a limited programme of activity efficiently carried out: so many studies made, so many meetings held, so many advisory missions completed. The real test of success, however, was the impact of the Commission on policy.

37. There were particular circumstances which made its task a demanding one. Among the most familiar were the large number of member States, the size and distribution of their populations, the relatively low level of development in critical sectors, in particular in the 19 least developed countries, the outward orientation of their economies, the mounting debt burden, the growth of unemployment, the dearth of skilled and experienced personnel, and the general unfamiliarity with their natural and other resources. Less obvious were the social and economic discontinuities which impeded the development process, the difficulties of communication and education in the widest sense and the degree of unlearning as well as of learning which had to be undertaken.

38. ECA's realization of those problems would in his view be enough to justify its claim to a leading role in the region. That role would rapidly diminish, however, if the Commission were restricted to the preparation of studies and papers and denied the opportunity to test theory in action. If the First United Nations Development Decade had failed to achieve its major objectives and if the first half of the Second Decade promised to produce similar results, it could reasonably be assumed that new ideas and a new system were urgently required. The reception of the Commission's revised strategy and medium-term plan and its proposals for restructuring the secretariat suggested that its members were convinced that it was moving in the right direction.

39. Mr. IGLESIAS (Executive Secretary, Economic Commission for Latin America), introducing the annual report of ECLA (E/5784), said that 1975 had marked the end of a brilliant period in the history of the international economy, which had been characterized by unprecedented growth. However, there had also been important contradictions in the industrialized countries, leading to a severe crisis that



had only been overcome in recent months. Furthermore, the gap between the living standards of the under-developed and developed countries had widened. As a result, there had been a unanimous feeling in the world that it was necessary to change the framework of international economic relations and to undertake the construction of a new international economic order. The brunt of the crisis had been borne by the developing countries, which had suffered a deterioration in their terms of trade and a considerable reduction in their growth rates. The Latin American countries had not escaped that situation and there had been a drastic decline in their growth rate and exports. Furthermore, their balance-of-payments situation had deteriorated and traditionally stable economies of the region had been subjected to strong inflationary pressures that had caused them exceptional difficulties in recent years.

40. Among the lessons to be drawn from that situation was the fact that the Latin American countries were still vulnerable to international economic conditions. A passing rise in the price of some commodities had led to the belief that Latin America had surmounted its past difficulties, but in recent months several countries had had to take drastic measures to reduce the debt burden and combat inflation. Another lesson learnt had been that Latin American countries were not all equally prepared to cope with the difficulties which had been caused by the international crisis. However, some had been able to deal with the situation and to take important decisions designed to reduce the internal impact of changes in the international prices of goods. Latin American countries had been able to deal with their enormous deficits by obtaining resources abroad, especially in the financial markets, without running down their reserves. The international situation had not, however, enabled them to maintain their rate of exports or gain access to other markets. He stressed the need for flexibility in order to permit the expansion of both traditional and non-traditional exports. The situation of the Latin American countries was not being fully taken into account by the international community, particularly as regards the effects of inflation. Within the context of the new international economic order, there was a need to devise solutions that took full account of the nature of their particular problems.

41. The Latin American countries, for their part, were fully aware of the importance of a new international economic order, which recognized the concept of interdependence and the need for negotiation. The third world placed great hopes in the Manila Declaration adopted in February 1976 at the Ministerial Meeting of the Group of 77, which clearly defined international policies in the field of economic relations. The fourth session of UNCTAD had accepted in principle a major part of the thinking it embodied and it was hoped that it would be translated into concrete terms within the next few months.

42. Another important point stressed by the Latin American region was the need to give priority to regional action. In that regard, he referred to a number of bilateral agreements concluded recently and mentioned the fact that the Governments of the region had decided in October 1975 to set up the Latin American Economic System as a permanent regional agency for consultation, co-ordination,

co-operation and joint economic and social promotion. Regional measures should be combined with action at the world-wide and national levels to enable the developing world in general and the Latin American countries in particular to cope with the current difficult period.

43. An event of paramount importance for ECLA during the period under consideration had been the creation of the Caribbean Development and Co-operation Committee as a co-ordinating body for activities relating to development and co-operation and as a consultative organ of ECLA on Caribbean matters. It had held its first session at Havana in November 1975 and had examined, *inter alia*, the question of co-operation with the United Nations and the specialized agencies.

44. In conclusion, he said that the regional commissions had an increasingly important role to play in connexion with the new international economic order and that in order to play it they needed to bring their machinery up to date.

45. Mr. MARAMIS (Executive Secretary, Economic and Social Commission for Asia and the Pacific), introducing the annual report of ESCAP E/5786, said that, in recent years, ESCAP had constantly pursued the goal of growth combined with social justice, and already in the New Delhi Declaration, adopted by the Commission at its thirty-first session (resolution 154 (XXXI)), had given urgent attention to rural development, better living conditions for the common people, and self-reliance through co-operation and assistance between the countries of the region. There had likewise been an encouraging tendency on the part of member countries to give priority to the development of the rural sector.

46. The major themes of the thirty-second session of ESCAP had, accordingly, been an integrated programme for rural development and greater technical co-operation among developing countries. The Commission had viewed with grave concern the problem of mass poverty, which engendered passivity, dependency and despair and was particularly acute in the rural areas in which the vast majority of the population lived. Conventional development processes had passed them by and helped to increase inequality within countries, leading to disenchantment with traditional growth models. The session had also emphasized the importance of qualitative as opposed to merely quantitative aspects of growth and development, and the desirability of adjusting development programmes to meet the needs of the vast rural population.

47. The key resources to be mobilized lay in the rural majority themselves, whose dormant productivity could only be awakened if they were granted access to productive resources. Optimum mobilization of manpower, whether in the context of small farms, co-operatives or collectives, would in many countries require changes in the pattern of landownership. Participation of rural workers in all phases of local social and economic activities was essential and would involve decentralization of power and decision making. Education needed to be linked with work and environment, and health care should come to be regarded as a productive investment and become an integral part of



rural development. The productivity of rural labour should be developed by building on local resources and traditions, technology being treated as integral to the structure of the community and related to the social goal of participation and to the learning process of those who would use it.

48. The labour force should be subdivided into local units and mobilized on that basis. That entailed decentralization and a hierarchy of rural towns and market centres capable of absorbing the labour, particularly of women and young people, thus minimizing rural-urban differentials, generating skills, encouraging innovations, and satisfying local production and consumption needs as far as possible by local efforts and resources. ESCAP resolution 161 (XXXII) on the integrated programme on rural development emphasized those objectives.

49. The key element in development was the efforts made by the people themselves, and that depended on how they organized themselves in their local community, in which context it was essential to bear in mind possible alliances and conflicts among different groups. There should be an interplay between local initiative and national guidance rather than attempts to plan from the top down via a bureaucracy with too much local autonomy. The most important intermediaries were local leaders responsible and responsive to community organizations, including women's associations and other interest groups.

50. ESCAP resolution 165 (XXXII) on the Establishment of the Asia and Pacific Centre for Women and Development, which was in line with General Assembly resolution 3520 (XXX), proclaiming the United Nations Decade for Women: Equality, Development and Peace, and calling upon the regional commissions to further the objectives of the World Plan of Action, reflected the importance of participation by women in development efforts. The Commission had been happy to accept the offer by the Government of Iran to act as host to the Centre.

51. He was pleased to report considerable progress in drawing up a detailed programme of work on rural development and land reforms, requested in ESCAP resolution 161 (XXXII), largely through extra-budgetary assistance. The interagency task force which he had established was currently in session, and would be assisted by interdisciplinary missions by outside experts to selected countries in the region. The co-operation of other agencies and organizations with the Commission was extremely gratifying. He expected that an integrated programme on rural development with contributions from various fields of knowledge would be available for intergovernmental discussion by the beginning of 1977. The progress achieved was evidence of the advantageous position of the regional commissions, and he was confident that the action taken in ESCAP would greatly facilitate global efforts towards rural development, to which the international community as a whole had recently given priority.

52. It was in the ESCAP region that technical co-operation had received its first impulse through the Colombo Plan,<sup>1</sup> and bilateral co-operation continued at a

high level. In its resolution 162 (XXXII), ESCAP had endorsed the recommendations and conclusions of the UNDP-ESCAP regional meeting on technical co-operation among developing countries and had emphasized the importance of matching countries' requirements and capabilities in every sector of economic and social activity. At both the regional meeting and the thirty-second session of the Commission the need had been stressed to go beyond market sharing or other limited arrangements and to continue solving specific common problems and build institutions to serve common needs. Among measures subsequently taken were the updating of directories of training facilities and consultancy services, and the formulation of projects likely to promote such co-operation. Every effort was being made to increase developing countries' inputs to the Commission's work and to ensure that they were matched by increased assistance from developed countries; the pattern of triangular financing and technical assistance by developed countries, developing countries and international organizations promised to become a key feature of development efforts in coming years.

53. Only limited, though promising, progress had so far been made in the promotion of interregional co-operation for development, and he believed that the regional commissions could play a very important role in that field. They could suggest appropriate projects on the basis of practical studies, reorienting their work programmes so that the activities undertaken would be mutually reinforcing.

54. ESCAP had also adopted the constitution of the Asia-Pacific Telecommunity, and he had been requested, in co-operation with ITU, to undertake all the necessary preparatory work. The Commission had also recommended the establishment of a regional centre for technology transfer in India, and the other regional training and research institutes were to be further streamlined and co-ordinated. The Commission had adopted resolutions on the implementation of the decisions of the World Food Conference and on special measures in favour of the least developed, land-locked and island countries, and on action to make legislative arrangements on shipping and the like more effective.

55. The thirty-second session had been marked by the pragmatism and frankness of representatives of member Governments, particularly in discussions on the programmes of work and priorities and the medium-term plan for the period 1978-1981. The integrated and multi-disciplinary nature of the work programme was being further reinforced in priority sectors – trends particularly evident in the medium-term plan, to be considered by the Council under agenda item 22. He hoped that members of the Council would bear in mind the importance of recognizing differences in the requirements and, consequently, the priorities of different regions. While fully appreciating the need for some degree of uniformity in plan formulation, he wished to stress the importance of flexibility in planning.

56. The programmes for integrated rural development and co-operation among developing countries were regarded by the regional commissions as a valuable opportunity to meet

<sup>1</sup> Plan for Co-operative Economic Development in South and South-East Asia, adopted at Colombo in January 1950.



the aspirations of the broad masses of the people, and to contribute to the establishment of the new international economic order.

57. Mr. STANOVNIK (Executive Secretary, Economic Commission for Europe) said that one of the most important events in the post-war history of the ECE region had occurred in the past year, namely, the successful conclusion of the Helsinki Conference on Security and Co-operation in Europe. The Final Act of the Conference had entrusted ECE with the responsibility for implementing those provisions which fell within its domain. During the years preceding the final stage of the Conference, ECE had been making a thorough study of the relevant problems and had therefore been ready to take action when the Conference reached its successful conclusion.

58. In 1975 he had been asked by ECE to prepare a report containing proposals for possible adaptations of the Commission's future activities. The Commission had welcomed the report (E/ECE/900), made a number of additional proposals and amendments, and had transmitted it to the principal subsidiary bodies for implementation in their work programmes. The process of reviewing work programmes of the rather ramified structure of ECE was important for a number of reasons. Firstly, it brought economic co-operation through ECE into line in letter and spirit with the political agreement reached among the member countries of the region at the Conference on Security and Co-operation in Europe. Secondly, it provided an opportunity to review current activities; there were some 400 projects in 20 different areas of work at present under way in the Commission, and such a large-scale programme necessarily required a thorough review from time to time in order to concentrate it on the most essential matters likely to bring the greatest practical results. Last but not least, it was a process designed to bring about rationalization and to improve co-ordination. He had always maintained that the most important aspect of co-ordination was to provide full information, so that ECE's principal subsidiary bodies could clearly see what others were doing in related areas. No project could be adopted before a full statement had been given to the body concerned about other projects already under way in the area, so as to avoid any possible overlap. Every project, once adopted, had to keep to the agreed terminal date so that there was no question of self-perpetuating projects.

59. One of the most important features of the present phase in ECE programming was the fact that the Conference on Security and Co-operation in Europe had given its full support to the pattern of economic co-operation evolved pragmatically within the Commission. All countries of the region co-operated in ECE, irrespective of differences in their social and economic systems, from the East and West, big and small, technologically developed and others which were still developing from the economic point of view. The purpose was co-operation and not convergence of systems. The Commission studied and promoted European co-operation in economic, technological, environmental, commercial and other fields. As a regional body of the United Nations, it also contributed to the global objectives of the Organization.

60. The Conference on Security and Co-operation in Europe had also continued the flexibility in programming which had been developed within ECE. When the Commission had first been established, it had been given the basic task of promoting economic co-operation. It had very soon become clear that priority areas should be extended to include trade, improvement of environment, technological co-operation and long-term projections. In more recent years, other matters – general energy problems or specific transport problems such as safety – had required particular attention and the Commission had not hesitated to tackle them. It had accepted all the matters specifically assigned to it by the Conference as part of its future programme of work. They included such questions as, for example, the notification system of foreign trade laws and regulations and changes in them; export promotion and marketing; provision of information in industrial co-operation and guidance on contracts in that field; the environmental impact of economic and technological activities; the harmonization of statistical nomenclatures; the harmonization of rules regulating river transport; and the promotion of meetings bringing together young scientists and prominent experts in their respective fields.

61. In addition, ECE had decided that certain matters not specifically assigned to ECE by the Conference on Security and Co-operation in Europe should be included, such as the publication and dissemination of statistics, the promotion of agreements on the acceptance of and compliance with standards and technical regulations, problems of trans-boundary long distance air pollution and transport safety.

62. ECE had also noted the interest expressed in the URSS's proposal on the holding of all-European congresses on such matters as the protection of the environment, the development of transport, and energy, the main purpose of which would be to maintain the momentum initiated by the Conference and to strengthen the role of ECE in implementing the provisions of the Final Act. The Commission had decided that the matter should be brought to the attention of Governments and the principal subsidiary bodies, and had asked him to produce a report on the ongoing work programme and projects which fell within that domain.

63. An important feature relevant to programming was the Commission's decision to make its programme future-oriented. In such sectors as timber, steel and water, the time-scale was such that long-term studies had been found in practice to be essential. Gradually it had come to be realized that a longer view was also useful for international co-operation in general, since Governments making crucial economic decisions were dependent upon forecasts of the future. Accordingly, the decision had been taken by the Senior Economic Advisers to ECE Governments to work on an over-all economic perspective for Europe up to the year 1990. The secretariat had already prepared the first draft, which was now under consideration by government experts. The long-term projection was a useful contribution to General Assembly resolution 3508 (XXX), and to the objectives laid down at the seventh special session.

64. The Commission had also decided to be more outward looking in future. It had decided to pay special



attention to those countries in the region which were still developing from the economic point of view but it also wanted to make the results of its work more readily available to developing countries throughout the world. He had been asked to promote horizontal co-operation with other regional commissions and, through them, with countries in other parts of the world.

65. In ECE today economic co-operation had replaced the confrontation which had characterized the immediate post-war period. He was optimistic for the future as he looked at developments in the region. The turnover in

East-West trade now amounted to nearly \$60,000 million whereas only 10 years before it had been about \$6,000 million. The number of industrial co-operation agreements had risen to around 1,000 from less than 100; between 60 and 100 were recorded in the secretariat every year. Economic co-operation had, of course, been made possible by political will and political decisions, but he also believed that economic co-operation made its own modest contribution to resolving the remaining political problems and thereby strengthening peace in the region and in the world.

*The meeting rose at 12.55 p.m.*

## 2023rd meeting

Thursday, 22 July 1976, at 11 a.m.

*President:* Mr. S. AKÉ (Ivory Coast)

E/SR.2023

### AGENDA ITEM 4

**Regional co-operation (E/5607 and Corr.1 and E/5607/Add.1-2, E/5727 and Add.1-2, E/5781, E/5783-5786, E/5801, E/5832, (chap. III, sect. E), E/5835 and Corr.1 and E/5835/Add.1, E/5858)**

1. Mr. AHMAD KHAN (Pakistan) said that the reports of the regional economic commissions provided a useful supplement to the *World Economic Survey, 1975* (E/5790 and Add.1) and indicated the diversity of problems and prospects in the less advanced regions of the world.
2. One of the reasons for the instability of the economies of many developing countries was the failure of the market-economy countries to control inflation. Events in the developed countries had an immediate impact on the economies of the developing countries, which suffered greatly from imported inflation. However, the conquest of inflation and the attainment of monetary stability was easier said than done; a great deal of discussion was still going on regarding the causes of inflation and the best ways to overcome it.
3. A key element in the cost of living was food prices. Special attention should be given to the least developed countries in southern Asia and elsewhere, measures being taken at the international level to promote agricultural development and thus make adequate food supplies available.
4. The effect of external influences could be reduced by greater co-operation between countries within a particular region, combined with action on the debt problem. While some countries might be able to weather current difficulties by promotion of exports and other measures, the non-oil-producing countries in particular would face difficulties if action was not taken to tackle the problem of debt relief. Many developing countries were confronted with enormous balance-of-payments deficits; unless some institutional arrangements were made to help them, they would be unable

to maintain their economic activity at more than a minimum level. Institutions such as IBRD, the African Development Bank and the Asian Development Bank, should give them balance-of-payments support on favourable terms, particularly since IMF had indicated that it could only make a limited contribution towards accommodating the deficit of the oil-importing developing countries. In 1975 those countries had been forced to borrow on the Euro-currency market to the extent of half of their balance-of-payments deficit. He paid tribute to the oil-exporting countries of ECWA for their generous help towards solving the balance-of-payments problems of the poorer countries of the region. A great step forward would be taken if aid was not tied; it had been estimated in Pakistan that tying aid reduced its real value by about 35 per cent.

5. He particularly commended the annual report of ECWA (E/5785), which had accomplished a great deal in a short space of time. The Commission included some very rich countries in which economic planning was not sometimes felt to be of high priority. Social progress had lagged behind economic development in the region, and he endorsed the integrated approach to economic and social planning to which the Executive Secretary had referred at the preceding meeting. It might, however, be salutary to discuss the pitfalls associated with planning; the sins of planners and their neglect of institutional and political realities were frequently overlooked. He stressed that a sound statistical and information basis was required for the work of the regional commissions.

6. Turning to the annual report of ESCAP (E/5786), he drew attention to the matter of integrated rural development. Rural development had had a long history of failure in southern Asia since the colonial era; there was a need for a close study to be made of what had gone wrong. Experience in Pakistan had shown that given adequate incentives farmers could attain the required level of productivity. The drift to the towns could be halted by making agriculture more labour-intensive; there was no