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SUMMARY RECORD OF THE 3rd MEETING

Chairman:

Mr. PAPADATOS

(Greece)

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# The meeting was called to order at 3.10 p.m.

# GENERAL DEBATE (continued)

- Mr. TRAXLER (Italy), speaking on behalf of the European Community and its 1. member States, said that the crisis in the Persian Gulf would have a major impact on the world economy and, in particular, on developing countries' prospects for development. The first countries to be affected had been those which were obliged to receive and care for refugees leaving Kuwait and Iraq. Other developing countries were experiencing ecomonic difficulties as a result of their application of the sanctions imposed against Iraq. Ultimately, the developing world as a whole would suffer, since the slow-down in the world economy induced by the Gulf crisis was likely to affect the export earnings of many developing countries. The oil-importing developing countries would bear the brunt of the crisis as a result of rising energy costs and climbing interest rates. While some of the effects of the crisis could be offset by the measures which had been adopted or were being discussed in international financial institutions, both within the United Nations and bilaterally, the expected increase of resources available for development might be negatively affected.
- Although the 1980s had been disappointing in many respects, that decade had not been marked by a reversal of the overall trend of progress made by developing countries over past decades. Between 1965 and 1985, per capita consumption had risen by almost 70 per cent and life expectancy, child survival and educational indicators had all improved markedly. Nevertheless, it was morally unacceptable that more than one billion people in the developing world should be struggling to survive on less than \$370 a year, the poverty-line indicator established by the World Bank. It was on the basis of those figures that the Twelve would continue to contribute substantial resources to development co-operation. Their solidarity with Eastern Europe would not result in any reduction of their support to developing countries. In fact, the changes in Eastern Europe were likely to improve the growth prospects of the world economy as a whole and should therefore also benefit developing countries. The European Community had increased its commitment to development co-operation by 46 per cent, and it and its members were also transferring significant amounts of resources to developing countries bilaterally and through multilateral channels.
- 3. The General Assembly at its forty-fifth session should try to build on the success of its special session on international economic co-operation. The consensus reached a few weeks ago in Paris at the Second United Nations Conference on the Least Developed Countries and the successful negotiations for an international development strategy for the 1990s should enable Member States to work together to transform the provisions of the Declaration of the special session into further action for development co-operation.
- 4. The European Community was firmly convinced that the market, despite its imperfections, remained an irreplaceable guide for economic activities. The more an economy was diversified and complex, the more indispensable it was to rely on the market in order to allocate resources efficiently. The interest of the

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consumer constituted the engine of European economies, and it was best served by markets which were as vast and as open as possible in order to ensure that comparative advantages were explcited fully. That implied open international trade and as much economic freedom as was compatible with some very basic common interests. In that regard, the Twelve hoped that the discussions in the Second Committee would help dispel residual misgivings concerning concepts such as respect for private initiative, encouragement of entrepreneurship, and economic freedom of the individual. The State should of course be involved in ensuring effective market competition, safeguarding the environment and ensuring that institutions and legislation were conducive to the smooth functioning of the economy and to the special protection of the weakest sections of society.

- 5. While the external economic environment had not always been favorable for developing countries, some developing countries had reacted better than others to that environment. Perhaps, in many cases, the source of those differences during the 1980s which could produce even greater disparities between them in the 1990s had been domestic political instability, regional and local conflicts, disproportionate military expenditure and the quality of countries' national economic policies. Courageous policies of structural adjustment had improved the situation in many developing countries, where sound fiscal and monetary policies, good governance and financial discipline had put in place the key elements of a new, solid development strategy which would permit them to resume growth or continue to grow. For those countries, the overall growth prospects for the next five years were better than for the previous five years.
- 6. The most precious resource of a nation, developing or developed, was the capacity of its people to conduct a productive life, to care for themselves and their families and to make use of scientific and technological progress to better their condition. In the past, the relacionship between economic performance and development, on the one hand, and open and accountable government and human development, on the other, had not always been recognized. The Declaration of the special session of the General Assembly devoted to international economic co-operation, the Declaration of the Second United Nations Conference on the Least Developed Countries and the international development strategy for the 1990s recognized that relationship quite explicitly. That extremely positive development proved how widely the demand for pluralism and respect for human rights, democracy and freedom was spreading.
- 7. Human resources were important not only for long-term development, but also for short-term adjustment. Education, health and family planning promoted productive capacity and adaptability, and slowed population growth. Currently, over 100 million children were without basic schooling; two thirds of them were girls. The provision of basic education was one of the most important contributions which could be made to development.
- 8. In many developing countries, the population was expanding at a rate rarely seen in human history. Since 1965, the population of sub-Saharan Africa had doubled. Reduction of poverty and a substantial reduction of population growth went hand in hand and, unless they adopted effective population policies, most

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developing countries would not be able to raise the living standard of their peoples. In that respect, external assistance was not of much use.

- 9. Poverty alleviation was the central objective of all meaningful development co-operation. The distinction between programmes which were primarily aimed at the alleviation of poverty and those which primarily promoted economic growth was largely artificial. The developing countries which had been most successful in reducing poverty were also the ones which had grown faster; the developing countries which had placed less importance on efficiency and growth were now worse off and faced a more difficult task in fighting poverty.
- 10. There was a need to encourage patterns of growth which were best suited to help the poor take advantage of new income-earning opportunities. National policies must expand access of the poor to land, credit, productive inputs and education. They must promote the full integration of women in development and in the decision-making processes, and their full access of women to social services and education. In order to do all that, developing countries required external resources. However, no amount of external assistance could replace adequate national policies. The Twelve fully accepted their responsibility to provide an adequate level of development aid, and reaffirmed their commitment to the United Nations target for official development assistance (ODA) of 0.7 per cent of gross national product (GNP). They also reaffirmed their commitment to provide aid to the least developed countries in accordance with the targets agreed at the Second United Nations Conference on the Least Developed Countries. In doing so, the Twelve underscored that aid utilization had to be improved.
- 11. It appeared that, in the 1990s, trade would expand at a faster rate than in the past decade. The achievement of the European Community's single market would contribute to that expansion. Developing countries must be anabled to exploit their comparative advantages, and should endeavour to become progressively integrated in the world economy in accordance with their respective abilities and their obligations under the General Agreement on Tariffs and Trade (GATT). The particular problems of the least developed countries should be borne in mind.
- 12. The signs of a slow-down in world growth, together with the effects of the crisis in the Persian Gulf, made it all the more urgent that the Uruguay Round of multilateral trade negotiations should be concluded successfully. The Twelve hoped that the European Community's example with respect to a Generalized System of Preferences would soon be followed by other developed countries, as well as by the countries of Eastern Europe. Once trade relations between Eastern Europe and the rest of the world were expanded, developing countries should gain from the resulting world growth and from the improved international division of labour. However, the developing countries themselves would have to search actively for trade partners in the East in order to transform that trade potential into actual exports.
- 13. The Twelve recognized the very serious consequences of heavy indebtedness for the economic development of many developing countries. Larger and larger shares of

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those countries' export earnings were being devoted to debt service so that fewer resources remained available for domestic investments and for the imports needed to sustain growth. Without growth, the service of debt itself remained precarious, even in the presence of sound national adjustment programmes.

- 14. The European Community had a debt strategy which covered the various categories of debt, and it supported the enhanced Brady plan, which should be implemented at a faster pace and more widely. For official debt, important initiatives had been proposed by some States members of the European Community, and they should be fully explored. Several States members of the Community had already taken, or were planning to take, bilateral measures, especially in favour of the poorest countries; others had cancelled all the concessional official debt and, in some cases, significant amounts of other official debt. In 1990, Mexico, the Philippines, Costa Rica and Venezuela had signed important agreements with their commercial creditors. Such agreements demonstrated the viability of an officially supported, voluntary and market-based approach to debt and debt-service reduction.
- 15. The European Community was greatly encouraged to see how quickly environmental issues had taken the centre stage in international and multilateral diplomacy. By deciding to convene, in 1992, the United Nations Conference on Environment and Development, the Organization had begun to play a key role in that field. The Twelve were fully committed to the success of the Conference and would co-operate to the best of their ability with developing countries in preparing for it. At its first substantive session, as well as at its organizational session, the Preparatory Committee for the Conference had done a lot of good work and had given a clear indication of the magnitude of the task ahead. The European Community intended to provide its best expertise and to contribute its share of the funding for the Conference; it supported the conclusions of the Nairobi preparatory meeting, and urged the Secretariat to make every effort to ensure that the work commissioned was ready for the Geneva meetings in 1991.
- 16. Environment, population and development were inextricably linked. The fight against poverty must become part of the international community's commitment to sustainable development. Attention should also be paid to the interlinkage between trade and the environment. The Twelve urged that efforts to integrate environmental issues into all development programmes should be further strengthened, and agreed that poorer countries would need appropriate, additional financial resources to respond effectively to environmental problems, in particular global problems.
- 17. The Twelve welcomed the work being done on a proposed global environmental facility by the World Bank in conjunction with the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP). The first step was obviously to examine the technological needs of developing countries. The mechanism agreed in London, linked to the specific requirement of helping developing countries implement the Montreal Protocol on Substances that Deplete the Ozone Layer, was an important step forward. The Twelve accepted the special duties which their position as industrialized nations placed on their shoulders.

- 18. Mr. PRONK (Netherlands) said it would be over-simplistic to approach the world of the 1990s from a North-South, East-West or national perspective. Old dividing lines were fading away, and the risks implicit in the policies of the past had become greater. The agenda which the international community must set for the new decade must result in fewer developing countries by the year 2000 and take innovative steps to revitalize economic growth and development.
- 19. The most significant development in international relations at the outset of the 1990s was the fundamental change in the nature of East-West relations. Given that the old East-West confrontation, which had coincided with the era of decolonization, had deeply affected the countries of the developing world, the new atmosphere would make a great difference to those countries. First of all, it would have political consequences: the development model based on totalitarian socialist systems had ceased to be a realistic option for the third world, as market forces and private initiative had come to be recognized as key elements of a viable socio-economic system. The recent events in Eastern Europe had also highlighted the mutually reinforcing relationship between political rights and social and economic rights. The exercise of political rights under a pluralist democracy would reduce economic inequality and social injustice. At the same time, sustainable, equitable development strengthened democracy.
- 20. The changes in East-West relations would also have international economic consequences, as the opening up of Eastern European markets diverted flows of capital, trade and technology. Eastern Europe was becoming a competitive source of certain labour-intensive products formerly exported by developing countries. The region's search for foreign investors would surely affect flows of development assistance, with adverse consequences for countries of the South. Yet if restructuring in Eastern Europe proceeded and economic growth accelerated, the region could become a significant partner in international trade and resume its role as a supplier of development assistance. Finally, new East-West relations would reduce conflicts between those blocs over their spheres of influence in the South, although the lack of outside involvement would, paradoxically, generate more instability there. At the same time, super-Power relations no longer paralysed multilateral efforts to contain conflicts, as was evidenced by the current crisis in the Gulf.
- 21. In the world of the 1990s, economic and financial relations and the environment in particular were global issues. Purely national approaches and instruments had become obsolete or even counterproductive, while increased globalization offered not only opportunities but also increased risks, notably in the case of financial markets. As a result not only of low commodity prices and high real interest rates, but also of a collapse of financial flows and supply-driven, rather than demand-driven, transnational market mechanisms, growth in the North was no longer an engine for growth in the South. To date, the effects of the globalization of economic relations had bypassed those segments of the world's population, in the North as well as the South, who lived below the poverty line. Any new international economic development policy must therefore address that issue.

(Mr. Pronk, Netherlands)

- 22. Given the general awareness that further environmental deterioration threatened mankind's survival, the 1990s would see immense changes in the That awareness must international community's attitude towards the environment. be translated into effective policies at both the nat.onal and international levels, based on the premise that sustainable development fulfilled the current generation's needs without detriment to future generations. The task at hand, which was formidable, involved more than merely repairing the environmental damage already done: unprecedented international co-operation would be required to minimize the use of scarce natural resources and halt the unbridled accumulation of waste and emission of gases into the atmosphere. The developed countries must support the developing countries' efforts in that area while pursuing policies that would reduce their own disproportionate consumption of natural resources. However, basic policy changes must also be accompanied by far-reaching changes in lifestyles and patterns of consumption, an area in which the North could learn much from traditional cultures surviving in the South.
- 23. The eradication of poverty should be given highest priority on the development agenda for the 1990s. An anti-poverty strategy must focus on more than just growth, redistribution of resources and structural adjustment. The human development approach evolved by UNDP and the World Bank's anti-poverty approach provided attractive models in that regard. Any new policy must both emphasize, inter alia, participation by the poor themselves in the development process and reflect long-term social conditionality rather than short-term economic conditionality. Concessional terms should be agreed jointly by donors and recipients, preferably within a multilateral framework. Agreement should also be reached on specific poverty criteria for aid programmes and projects in collaboration with the recipients. Finally, it should be noted that donor countries were growing less willing to provide assistance to countries where the eradication of poverty was not a priority, but high military expenditures, corruption and the misuse of public funds were everyday occurrences.
- 24. A new global development agenda for the 1990s should comprise 11 items. first was the integration of environment and development. The second, labelled "East-West-North-South", would seek to integrate the countries of Eastern Europe in the international community in a way that would also strengthen the developing countries' position. The third item, on investment and trade, should go beyond the framework of the Uruguay Round of multilateral trade nogotiations to consider new multilateral rules in various areas and, perhaps, a United Nations code of conduct for investment and technology flows. The fourth item would relate to energy, an area of particular urgency in view of the recent Gulf crisis. International migration should constitute another agenda item, with emphasis placed on policies to address the causes of and prevent that phenomenon. Demilitarization, too, should be considered: the 1990s offered an opportunity for converting military expenditures into programmes for economic and ecological security. The seventh agenda item would cover international co-operation to strengthen democracy. Under the eighth item, domestic policies, consensus should be reached on development policies that went beyond adjustment in the case of the developing countries and promoted a frugal and sustainable mode of economic growth in the industrialized

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countries while facilitating the developing countries' access to their industrial and agricultural markets. The ninth item would relate to human development and cover measures on behalf of children and women and measures to guarantee food security and combat AIDS and illicit drug trafficking. The tenth item would deal with the transfer of resources, with emphasis on reversing the negative flow from developing to developed countries. The final item would relate to recorm within the United Nations through a strengthening and restructuring of the Organization's social and economic sectors. That reform might involve the creation of an international trade organization and improved procedures for consultation with the international private sector.

- 25. In conclusion, he proposed that the new international economic order called for in earlier decades should be replaced by a system of responsible global governance comprising an international public sector that would operate alongside the existing strong international private sector. Such a system would complement domestic development efforts throughout the world.
- 26. Mr. PIREK (Czechoslovakia) said that the sweeping changes which had taken place in political and public life in Eastern Europe had had a marked effect on international relations. Increased political pluralism and democracy were fostering pan-European economic co-operation and facilitating the search for a solution to global economic and environmental problems, but also posed a challenge to the international community and to the United Nations.
- 27. It was clear from the Economic and Social Council's second regular session of 1990 that the United Nations must respond in a meaningful way to the paradoxes created by current developments. For while they were the result of such positive factors as a recognition of the pre-eminence of human values or agreements to reduce military spending, they implied a need for economic stability, efficient conversion of military industries and effective and environmentally sound resource utilization. Active involvement on the part of United Nations bodies and agencies was required.
- 28. The United Nations needed to respond more effectively to all world economic problems, and his delegation endorsed the proposal to reorient and restructure the Organization's activities, particularly in the economic sphere. His delegation particularly wished to support those bodies and agencies of the system that promoted the principle of the universality of economic co-operation.
- 29. With regard to regional economic co-operation, his delegation believed that the States members of the Economic Commission for Europe should make a priority of adjusting their national economic policies to promote sustainable and non-inflationary growth throughout Europe. Furthermore, European countries should not regard the revitalization of economic growth and development in developing countries as being less relevant to their region. In that connection, he urged States to look beyond the political framework of the Declaration adopted at the eighteenth special session of the General Assembly and to take concrete steps to implement that text.

(Mr. Pirek, Czechoslovakia)

- 30. The international development strategy for the 1990s should seek to revitalize economic growth in the developing countries, a task which would require wide-ranging co-operation from the entire international community. A favourable international economic environment should be created to allow the developing countries to maintain the openness of their national economies as a prerequisite for sustainable development. External and internal factors of economic development should be complementary; in that connection, the results of the recent Second United Nations Conference on the Least Developed Countries were encouraging.
- 31. The debt crisis of the developing countries was of growing concern to the United Nations, because it threatened the stability of the world economy. At its eighteenth special session, the General Assembly had confirmed that a realistic approach was needed to solve that problem, involving the joint efforts of the entire international community and the implementation by developing countries of market-oriented mechanisms to increase the efficiency of their own economies.
- 32. In the past, Czechoslovakia's economic relations with developing countries had not been very effective. Administrative shortcomings and ideological postures had reduced the share of the developing countries in the total volume of Czechoslovakia's foreign trade, which had been confined to an increasingly narrow group of partners. Czechoslovakia's new foreign policy aimed for true partnership with all developing countries and attached increasing importance to external economic contacts with them. His country's efforts to be integrated into the Western European economic system would not reduce the importance of the developing countries in its foreign policy. Rather, Czechoslovakia hoped to develop progressive forms of co-operation, according greater significance to the private sector, and was considering new ways of assisting developing countries, such as increased participation in multilateral development assistance programmes.
- 33. Experience had convinced Czechoslovakia that the radical breakthrough in East-West relations would not impede the growth of economic relations with developing countries, but would in fact enhance their trade and investment opportunities. It supported the view of the European Community that the commitments of its member States to the developing countries would not be weakened by their support for reforms in central and eastern Europe.
- 34. The severity of the world's environmental problems lent great significance to the United Nations Conference on Environment and Development, at which the participating countries would be required to make specific commitments. The Conference could identify the current potential of the advanced countries and the specific requirements of the developing countries in the field of environmental protection. His country intended to adopt new legislation in order to repair damage done by previous economic policies.
- 35. Countries could only achieve true freedom within the community of nations if they espoused a new, higher principle of collective responsibility for world-wide economic development that would enhance the quality of life on all continents.

- 36. Mr. VAZQUEZ (Argentina) said that the radical changes in political and economic life had rendered it very difficult to make sound predictions for the future. The world economy was going through a period of profound restructuring, leading to greater interdependence of production, trade and finance and enhancing the influence of technological development on economic growth.
- 37. The shift of focus in economic life had resulted in the developing countries, and the gap between the developed and developing world had widened. While the world economy was growing, the developing world was becoming more impoverished and marginalized, with disturbing long-term consequences for the world as a whole.
- 38. The political trend towards the affirmation of human rights and pluralism over despotism had its economic corollary in the promotion of the market system over State interference and protectionism. Increased attention was also being given to the issues of environmental degradation and population movements, which had joined the still unresolved problems of access to technology in the developing world, external debt, protectionism and trade imbalances between the developed countries and the eradication of poverty in the developing countries.
- 39. Mindful of those concerns, Argentina was implementing domestic policy measures aimed at securing liberty and democracy and at revitalizing the economy. Reforms were planned, to remove ossified structures and permit the deregulation of the economy, so as to create a productive and internationally competitive system conducive to development. It was hoped thereby to overcome the country's fiscal deficit and to enable it to play its proper part in the world economy.
- Assembly on international economic co-operation took into account the interdependence of such problems as external debt, international trade, technological and human development, the environment and population growth, and emphasized the importance of appropriate national policies. Argentina was accordingly implementing an ambitious programme of structural adjustment, comprising privatization programmes, tax forms, free market policies, the promotion of private initiative in investment and production and the elimination of privileges. Those efforts could only succeed, however, in the context of endeavours by the international community to solve the world's macro-economic problems. The policies currently under discussion by the seven major industrialized countries would directly influence the stability of the developing countries, and it was essential to consider the needs of those countries when seeking solutions to the economic problems of the developed world.
- 41. For example, consideration of measures to correct the trade deficit of the United States had been restricted to two alternatives: monetary and fiscal restriction measures in the country with the deficit or increased spending in the countries with the surplus, namely, Japan and Germany. The implementation of such measures would seriously endanger the savings potential of developing countries, whose interests had not been borne in mind. A third possibility would be to increase investment in those countries affected by the debt crisis, which were traditional clients for American exports. The consequent adjustment to the trade

(Mr. Vazquez, Argentina)

balance of the world's largest economy would not have the adverse effect of reducing savings rates on a world-wide scale.

- 42. The Declaration adopted at the eighteenth special session of the General Assembly (A/S-18/14), made general reference in paragraph 22 to that solution, but little progress had been made in the matter since the meeting of the major industrialized countries in July 1990.
- 43. Argentina hoped that the outcome of the Uruguay Round of multilateral trade negotiations would help revitalize the economies of many countries by liberalizing international trade, particularly in the field of agriculture. Unless Governments amended their domestic policies relating to protection for the agricultural sector, access to their markets and export subsidies, producers would suffer considerable losses, particularly in the developing countries. A major contribution to the eradication of hunger and malnutrition could be made by promoting food production in the developing countries themselves. The creation of economic blocs was only justifiable if the removal of internal barriers led to a net increase in international trade: the Uruguay Round had a crucial role to play in guiding such developments and its deliberations were doomed to failure if they did not include the agricultural sector.
- 44. The recent rise in oil prices occasioned by the Gulf crisis was likely to remain in force and would have a particularly severe impact on the developing countries. The United Nations Conference on Trade and Development (UNCTAD) and the World Bank had made a useful study of the problem, but had not given sufficiently close attention to the possible consequences of the contractual anti-inflationary policies applied by the major industrialized countries in response to those price rises. The resulting increases in interest rates and new restrictions on trade in goods produced by the developing countries would directly affect their capacity to meet international payment commitments by increasing their debt service payments and decreasing their export revenues.
- 45. Argentina appealed to the United Nations to help enhance multilateral economic co-operation by promoting the proper integration of the developing countries into the world economic system. The Organization had a key role to play in revitalizing growth and development, and could count on Argentina's full support.
- 46. Mr. MOLLER (Denmark), speaking on behalf of the Nordic countries, said that the end of the cold war and the demolition of walls between different economic and political systems had ushered in profound changes, promoting the spread of democracy, pluralism and human rights. The importance of realistic price mechanisms was now becoming apparent to more and more countries, with consequent changes to international co-operation in the economic and social fields.
- 47. The problems of poverty, hunger, unsustainable population trends and environmental degradation were increasing in severity, and the aggression by Iraq against Kuwait had drastically diminished prospects for the revitalization of economic growth, especially in the developing countries. Contrary to the

#### (Mr. Møller, Denmark)

projections of the World Economic Survey 1990, real growth rates would decline and inflation and interest rates would rise. The increased oil prices would hit the countries in the developing world and in central and eastern Europe most severely.

- 48. The trend in the world economy towards global integration and mutual interdependence was incompatible with the increased marginalization of the poorest and least developed countries. It was essential to step up national, regional and global efforts to combat that marginalization.
- 49. The comprehensive economic adjustment and recovery programmes implemented by many developing countries had brought little improvement in their debt situation. While valuable measures had been agreed upon for severely indebted low-income countries, the debt burden continued to frustrate efforts towards long-term development.
- 50. Political and economic reforms in certain European and third world countries had given the peoples of those countries rising economic expectations and drastic improvements where needed in living conditions if achievements of those reforms were to be sustained. Only international economic co-operation could help solve that and other major problems, such as the eradication of hunger and poverty, development of human resources and achievement of sustained growth and development.
- 51. The enhanced role currently being played by the United Nations in maintaining international peace and security and deterring aggression should be extended to the field of international economic and social co-operation. Modest but important steps in that direction had been taken, such as the eighteenth special session of the General Assembly, and the momentum for a new "partnership in development" had been maintained at the meetings of the UNDP Governing Council and the Preparatory Committee for the 1992 United Nations Conference on Environment and Development, at the Second United Nations Conference on the Least Developed Countries and at the World Summit for Children.
- 52. However, it would be an exaggeration to claim that a breakthrough to a genuine "partnership in development" had been achieved. For that to happen, momentum had to be maintained and efforts redoubled, with even greater focus on the questions of most vital interest to the United Nations. Resources were limited and had to be deployed in the most efficient manner, and the Nordic countries felt that a restructuring of the work of the United Nations in the economic and social fields was long overdue.
- 53. In dealing with international economic co-operation in many of its important aspects, the General Assembly at its forty-fifth session had to build on the basic principles of the Declaration of the eighteenth special session, namely hat each country was responsible for its own economic policies for development, and for the life and well-being of all its citizens, and that the developing countries must continue to work towards keeping control ever inflationary tendencies, promoting domestic savings, achieving favourable conditions for domestic and foreign investment, modernizing their economies and increasing their international

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competitiveness; while at the same time the international community had a responsibility to give strong support to the efforts of the developing countries to solve their grave economic and social problems through the creation of a favourable international economic environment.

- 54. The Nordic countries wished to emphasize the importance of the commitments entered into by the developed countries in the areas of official development assistance, increased assistance to the least developed countries, and help for the developing countries with environmental problems, as well as with regard to ensuring that support for Eastern European countries did not divert international development co-operation away from the developing countries.
- 55. The Nordic countries welcomed the international consensus that poverty reduction should be given the highest priority in international development co-operation, and believed that close co-ordination with the World Bank was essential in that respect.
- 56. The declaration from the special session had taken new steps towards recognizing the significance of human resources development. It was the strong conviction of the Nordic countries that the human dimension had to be placed high on the United Nations international development co-operation agenda. In that area, too, close co-ordination with the World Bank was necessary.
- 57. Human resources and institutional development policies started from national strategies in sectors such as education, population policy and the like, but of equal importance were cross-sectoral principles such as decentralization of authority, community participation and full involvement of all in decision-making processes. Efforts to ensure human resources development had to be based on the principles of democracy and pluralism, respect for human rights and fundamental freedoms, and equitable distribution of the benefits of development.
- 58. It was only by application of those principles that the full utilization of human resources could be secured, and creativity, initiative, market forces and entrepreneurship stimulated. The Nordic Ministers of Development Co-operation had expressed their determination to continue working to ensure that the questions of human rights and democracy were integrated into the efforts of the multilateral aid organizations, and to provide support for bilateral and multilateral efforts aimed at promoting human rights and the development of democracy.
- 59. Mr. MINET (International Labour Organisation) said that too often in the past, by ignoring the socio-economic dimension, the diplomacy of development had nullified a whole section of its potential. It was thus fortunate that all the parties involved in drawing up recent texts on international economic co-operation had been in agreement to emphasize the social dynamic of the development process. An example was the Declaration and the Programme of Action ratified by the recent Conference on the Least Developed Countries, in particular in the importance which it gave to democratic and fair participation of all in the process of development. That objective reflected two of the followmental principles of the ILO, namely that

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freedom of expression was indispensable to steady progress and that the fight against poverty had to be pursued with indefatigable vigour. In turn, the Declaration adopted the previous spring by the General Assembly had said that "eradication of poverty and hunger, greater equity in income distribution and the development of human resources remained major challenges everywhere. Economic and social progress required that growth be broadly based, offering equal opportunities to all people, both women and men, to participate fully in economic, social and political activities."

- 60. The rediscovery of factors which had for too long been obscured was taking place also at the regional level. In Africa, for example, there was a common thread from the Khartoum Declaration of March 1988, through the charter for popular participation in development drawn up in Arusha in February, to the declaration the preceding July of the Heads of State and Government of the OAU on the political and economic situation in Africa.
- 61. It was essential that old development rhetoric should not simply be replaced by a new incantation listing the abstract virtues of democracy. What was shown by various reports on the topics of development and human resources was that the central goal of any national and international policy had to be the achievement of conditions which would lead to an improvement in human well-being. The Declaration adopted in May restated that very clearly in saying that "economic policies should have as their ultimate objective the betterment of the human condition and the snhancement of the contribution of all persons to development".
- 62. Unemployment and marginalization were a critical social problem in all countries. In the developing countries, underemployment was a greater problem than overt unemployment. An enormous parallel sector absorbed the workers who otherwise would have found no employment at all. The previous June, the International Labour Conference had held a detailed discussion of independent employment, and had agreed that independent employment could contribute to promoting employment, particularly in underdeveloped countries or regions, but that it should always be freely chosen, productive and in line with current social standards.
- 63. The slowing down of the economy, the effects of which would probably be exacerbated by the tragic events in the Gulf, was likely to jeopardize not only the social situation in the richer countries but also the process of international co-operation and development itself, in particular in the third world. That would be a serious blow to the battle against poverty. The ILO urged that the social consequences of the economic recovery measures to be taken should be examined very carefully. It should not be forgotten that the purpose of economic development was the well-being of mankind, and its "social aspect" should never be regarded as of any losser importance.
- 64. Mr. <u>OUALI</u> (Burkine Faso) drew attention to the injustice underlying the analyses made of the economic and social situation of the developing countries: an unfair press campaign was under way, designed to obscure the true causes of that situation and blame it instead on inherent inability on the part of those countries'

(Mr. Quali, Burkina Faso)

peoples and leaders, inefficiency in their systems of government, corruption among their elites, the absence of democracy and the subordinate role played by the private sector.

- 65. Burkina Faso had recognized its errors and shortcomings, and had taken draconian measures to develop an economic, political and social environment which would allow its people to advance. However, the real causes of underdevelopment were known to all unfair trade terms, debt, negative flow of resources, and insufficient development finance.
- 66. The burden of debt had become unbearable for the developing countries, in particular the least developed countries. If they were not to be crushed by it, now might be the time to acknowledge that the debt had become difficult to reimburse.
- 67. The environmental situation, too, was deteriorating. The desert had encroached still further on to some of the country's already insufficient arable land, despite implementation of the national policy of combating bush fires, excessive woodcutting and straying livestock. The advancing desert had helped to impoverish yet further the countries of the Sahel which since 1973 had come together in the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS).
- 68. The Member States of CILSS had high hopes of the United Nations Conference on Environment and Development, to be held in 1992 in Brazil, which should seek solutions which would genuinely be capable of protecting the environment while allowing the developing countries to follow policies aimed at improving their peoples' living conditions.
- 69. The Gulf crisis had to be resolved urgently and peacefully. If it continued, its main consequence would be a considerable increase in the price of oil, which on top of existing problems would lead inevitably to a disaster for the developing countries, many of which were not oil producers.
- 70. The Governments of the developing countries had had high hopes of the Uruguay Round of negotiations, but as they came to an end it was clear that those countries, and in particular those in Africa, would gain very few advantages from them, as had already been the case with the Kennedy Round and the Tokyo Round which had preceded them.
- 71. There was a need for practical measures to deal with the situation of women, who were the creators of the greater part of the developing countries' riches and the guarantors of the future of generations to come. Burkina Faso had already implemented several of the provisions of the Nairobi Forward-looking Strategies for the Advancement of Women. Equal rights for men and women had been reaffirmed since 1983, and since 1984, literacy of women had become a major priority. In addition, two seminars had been organized in 1989, one on the training of women from rural areas in agricultural production techniques, and the other to examine strategies

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### (Mr. Juali, Burkina Faso)

for promoting women's economic activities. One of the concrete results of the latter had been the setting aside of a window within a commercial bank exclusively for projects initiated by women or concerning women. Subsequently, a fund would be set up to support women's economic activities. Much still remained to be done in order to achieve all the objectives, and one of the major obstacles was the financial one. To achieve its policy of integrating women into the development process, Burkina Faso needed help from the international community. The needs were great, but the millions of dollars required were insignificant by comparison with expenditures on armaments.

- 72. That the prosperity of some was the result of the exploitation of others was not a new idea. Burkina Faso was in favour of more democracy although it must take different forms, since there were real differences between different human cultures and of more respect for human rights, but at the same time it had to be realized that the man who was hungry could not be completely free. There would be no advantage if the progress of democracy went hand in hand with increasing impoverishmen of the peoples of the developing countries, as was already the case in certain areas of the third world.
- 73. Current science and technology afforded the possibility of feeding, clothing and caring for all human beings. It was thus essential to stop debating and start attacking the real problems, with the objective of ending hunger, poverty and injustice. Despite the end of the cold war and the coming together of the two super-Powers, the end of the current millennium seemed likely to be accompanied by extreme disruption and extreme dangers.
- 74. The United Nations had to take up the challenge of development, and move from words to deeds. First, the debt of the least developed countries should be cardelled and that of the other developing countries reduced substantially. Secondly, fair and equitable rules should be applied in international commercial relationships. It should always be the producer, never the consumer, who fixed the price of products. Thirdly, the current transfer of resources should be reversed, and the resources intended to finance development should be significantly increased. Fourthly, genuine solidarity should be created in a world where every ne's destiny was linked. Any solutions to the problems of development would achieve nothing if the countries and peoples of the third world were kept out of the process. Development could become a reality by the turn of the century if it were accepted that development was first and foremost a cultural problem. Africa was not the continent without a future it had for some time been described as: rich in population, rich in ancient cultures, Africa was a continent with a future.

The meeting rose at 5.30 p.m.