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SUMMARY RECORD OF THE 9th MEETING

Chairman:

Mr. PAPADATOS

(Greece)

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GENERAL DEBATE (continued)

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The meeting was called to order at 10.15 a.m.

GENERAL DEBATE (continued)

1. Mr. BAKOTO (Cameroon) said that his delegation endorsed the remarks made by the Chairman of the Group of 77 in making known the expectations of developing countries as a whole. The international economic situation had been extremely well analysed in the World Economic Survey 1990, which was usefully complemented by the final Declaration adopted by the General Assembly at its eighteenth special session as well as the new international development strategy.
2. The renewed emphasis on multilateralism was timely provided that it was not selective. There was a need, too, to reconcile the acknowledged role of the major actors in the conduct of international economic affairs with the democratic participation of all States in their management. In that connection, the special high-level meeting of the Economic and Social Council in 1991, recommended by the Council in its resolution 1990/68, would provide a useful litmus test.
3. Despite the merits of market principles, it must be acknowledged that they had their shortcomings given the great dependence of some African countries, including Cameroon, on commodity export earnings. The abrupt fall in commodity prices had resulted in a deterioration in the terms of trade of those countries. To rectify the situation, the Secretary-General had entrusted a group of experts with the task of studying the problems of the African primary sector, in implementation of General Assembly resolution 43/27.
4. The Integrated Programme for Commodities and the commodity agreements to be concluded under the Programme and supported by the Common Fund, the success of the Uruguay Round of negotiations and the IMF Compensatory Financing Facility all provided extremely useful instruments which should play a full role.
5. The fall in the prices of raw materials was having disastrous repercussions on debt servicing. Creditor countries must cancel or substantially reduce debts for all categories of countries, since negative transfers of resources from developing countries amounted to the very antithesis of international solidarity. Moreover, official development assistance must attain the level established some 20 years earlier, namely 0.7 per cent of gross national product.
6. His Government was fully aware that it bore primary responsibility for the development of Cameroon. It had undertaken all necessary reforms in the economic and political domains. But it was essential for the new commitments entered into to be effectively implemented. In the absence of the favourable international environment advocated in the new instruments, reform would be ineffectual. Genuine international co-operation was essential. He trusted that the new decade would fulfil the hopes placed in it.
7. Mr. LUCAS (Guyana) said that international economic relations were undergoing a profound transformation, particularly in Europe, where political and social change had swept aside the artificial divisions of the continent. The prospects for peaceful coexistence had improved. The Second Committee, in its discussions.

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(Mr. Lucas, Guyana)

must consider the new challenges and horizons opening up before the international community.

8. The World Economic Survey 1990 had once again highlighted the varied economic performance of individual countries and groups of countries. Such were the circumstances in which the weaker economies of the world must provide for the welfare of their peoples. Their economies being in one way or another linked to those of the industrialized countries, it might be expected that they would benefit from any improvement in the latter's economic performance. However, paradoxically, sustained growth in the industrialized countries had provided very little relief for developing countries.

9. One consequence of that paradox was that IMF, for example, at the end of April 1990, had had 51 arrangements in place to respond to the economic needs of developing countries, representing more than double the annual average of the past two decades. That initiative demonstrated the growing need for financial resources to alleviate the critical situation besetting so many countries, and also indicated the need for a significant improvement in the functioning of the world economy.

10. The main problem to which a solution must speedily be found was that of developing-country indebtedness, which had been worsened by the fall in commodity prices. The international trade system as it currently operated, far from promoting growth, was in part responsible for the deterioration in the situation of the developing countries. That was particularly true of small debtor developing countries in which internal demand was weak, and survival and prosperity depended on external demand and hence access to international markets. The many tariff and non-tariff barriers which kept the products of developing countries out of the markets of developed countries should therefore be eliminated. Furthermore, developing countries as a whole did not enjoy a fair share of world trade, since they accounted for less than 25 per cent of world merchandise trade. His delegation hoped that the Uruguay Round of negotiations would remedy that injustice.

11. The globalization of the international economy, thenceforth a reality, had begun to change the contours of inter-State relations and the prospects for settling common problems. For example, greater consideration was being given to the development of human resources: the question had assumed global proportions, as seen at various multilateral meetings, such as the World Summit for Children. That trend was positive, but did not remove all cause for harbouring reservations. The instability of the financial markets, for example, still produced serious distortions in the economies of third world countries.

12. The United Nations had established the foundations of future co-operation with the adoption, in 1990 of the Declaration on international economic co-operation, at the eighteenth special session of the General Assembly and of the international development strategy for the fourth United Nations development decade. Given the new climate of entente currently prevailing, his delegation hoped that those instruments represented a new willingness on the part of the international community to resolve the economic crisis.

13. Mr. AL MABROUK (Libyan Arab Jamahiriya) said that his country was willing to work for the success of the Second Committee's deliberations. Just and equitable relations were essential in the economic domain and no one country or group of countries should prosper at the expense of others. It was to be hoped that the enthusiasm which the international community had demonstrated in the political realm would also prevail in the economic sphere. Peace was not merely an absence of war; it also meant the ability of all peoples to fully realize their potential.

14. The 1980s had been a lost decade for developing countries, particularly African countries. It was to be hoped that the new decade would witness a common effort resulting in action intended to reverse that trend and ensure the stimulation of economic growth.

15. There was no doubt that the developing countries bore the primary responsibility for their own economic and social development. That was an unavoidable fact. However, their efforts were restricted by an extremely unfavourable external economic climate: indebtedness, a sharp increase in protectionism and a fall in commodity prices.

16. Not only was the gap between industrialized and other countries widening, but the developing countries did not have free access to modern technology. The rich were getting richer, and the poor poorer. Would that situation change? The answer to that question would depend on how the various Member States met the commitments they had made for the 1990s. It remained to be seen whether the Declaration adopted at the eighteenth special session and the international development strategy for the fourth United Nations development decade would be implemented or whether they would remain a dead letter.

17. Mr. SHAKIR (Iraq) said that, with such important changes taking place in the countries of Eastern Europe, the developing countries should not remain passive. They must increase their co-operation in the spirit of the Charter of the United Nations and the resolutions of the Group of 77 if they were not to be left behind.

18. The embargo against Iraq reflected an inhuman attitude that was diametrically opposed to the noble ideals of the Organization, especially since it was also being applied to Iraqi imports of basic foodstuffs and medicines, which were not targeted by Security Council resolution 661. Those restrictions affected not only Iraq but a great many developing countries too. The rise in the price of crude oil would mean increased inflation and higher interest rates in the developed countries, which would widen still further the gap between the developed countries and the developing countries, whose standard of living had already declined because of the fall in commodity prices. Iraq was not responsible for that disastrous situation. The blame lay rather with the Western countries, which were interested only in oil, sought to control all the oil deposits and exported their inflation to the developing countries.

19. The increases in the price of crude oil were thus caused not by the oil-producing countries themselves, but rather by the monopolistic major oil companies, which were reaping enormous profits, even though President Bush had asked them not to increase oil prices unnecessarily. That caused acute problems for the heavily indebted, oil-importing developing countries.

(Mr. Shakir, Iraq)

20. Even if it did produce oil, Iraq was still a third world country which shared the sentiments of the developing countries and had always tried to help them to solve their problems. During the 1970s, it had provided assistance to many countries in Africa, Asia and Latin America. On 10 September 1990, his Government had announced that it was willing to deliver crude oil free of charge to the poorest developing countries, but the capitalist countries had used every means at their disposal to terrorize the countries that needed the oil by preventing its transport. As a result, the price of oil had doubled for those countries.

21. Moreover, the Western countries which had been struggling to keep oil prices from rising before the crisis were now trying to keep them high so that their allies could afford the military expenditures occasioned by the presence of their armed forces in the Gulf region. After only a few weeks, the cost of that operation had already reached \$20 billion, money that would have been better spent on other purposes, such as improving the situation of the Palestinians, combating famine in Africa, solving refugee problems or finding solutions to the indebtedness of the third world countries.

22. His delegation hoped that the work of the Second Committee would be most productive.

23. Mr. EL NOUR (Sudan) said that he hoped the progress made in the political sphere would be reflected in the economic sphere. The international economic picture was far from bright, and the slowdown in world economic growth during the 1980s had had negative consequences, especially for the developing countries. Those countries had experienced prolonged economic stagnation, which had in some cases been aggravated by natural disasters. Moreover, the crisis in the Gulf had repercussions on the economic performance of oil-importing countries, especially the least developed countries.

24. Sudan had repeatedly affirmed that the developing countries had the primary responsibility for their own economic growth. It had therefore established a three-year economic recovery programme aimed, on the one hand, at the reactivation of all economic sectors and the utilization of all available resources, and, on the other hand, at the achievement of social equilibrium and the alleviation of the sufferings of the poorer sectors of the population. To attain those goals, his Government planned to develop the agricultural sector in order to achieve self-sufficiency in food production and to encourage exports. However, those efforts would be unsuccessful without a highly favourable international economic environment.

25. The debt problem affected both debtors and creditors. It was essential to increase official development assistance (ODA) to the least developed and other low-income countries. His delegation supported the appeal made by Mr. Ahmed, the Under-Secretary-General for International Economic and Social Affairs, for the commitments concerning increased ODA undertaken at the Paris Conference on the Least Developed Countries to be carried out promptly. It also appreciated the initiatives taken by some donor countries to reduce the debt burden.

(Mr. El Nour, Sudan)

26. It was to be hoped that the 1992 Conference on Environment and Development would reach important conclusions regarding the linkage between environment and development. Environmental problems were of particular concern to the Sudan, which had suffered several natural disasters. His country appreciated the assistance it had received from the United Nations system and the donor countries in its efforts to rehabilitate the disaster areas. It was also working with some of its neighbours to combat drought and desertification in order to promote regional development. International assistance was needed in that area, and his country hoped that the resources of the United Nations agencies would be increased so that they could provide assistance to needy countries.

27. Despite the many challenges, his country believed in the solidarity of all its partners and was confident that it would be possible to face all of the challenges of the 1990s.

28. Mr. MOTA SARDENBERG (Brazil) said he hoped that the relaxation of tension between East and West would encourage the international community to work together to improve the world economic and social situation. The world economy had undergone significant changes in recent decades, including a growth in the volume and value of international trade, an increase in financial flows and extraordinary advances in telecommunications technology. Those developments made interdependence the determining factor in the world economy. It was no longer possible to envisage a world made up of separate countries or groups of countries, indifferent to the fate of others. The integration of the countries of Eastern Europe reflected a universal principle that was equally valid for the developing countries. The integration of some countries should not lead to the marginalization of others.

29. The Government of Brazil, wishing to integrate its economy more fully with the world economy, had launched economic reform measures, including a far-reaching stabilization programme, a sharp and sustainable reduction of inflation and a set of structural changes intended to increase productivity (the deregulation of domestic markets and the opening up of its markets to foreign trade and investment, for example). With regard to international trade, it appeared that the multilateral trading system established in recent decades was eroding. The success of the Uruguay Round was essential if the most-favoured-nation principle was to be respected. Furthermore, the efforts of developing countries towards efficiency and competitiveness must not be thwarted by protectionist barriers. In addition, the continuing deterioration of the terms of trade of commodity-exporting countries was cause for serious concern.

30. In the area of money and finance, the external debt burden hindered the efforts of developing countries towards economic recovery. It was widely recognized that financial transfers from developing to developed countries had reached absurd levels, and that the trend must be reversed as soon as possible, as could be seen from the Plan of Action adopted at the World Summit for Children and the international development strategy.

31. Consensus had been achieved, and a solution must be found without delay. The volume of debt and debt servicing must be reduced significantly so that debtor

(Mr. Mota Sardenberg, Brazil)

countries could revitalize their economies. Again, the costly and painful adjustment efforts of the developing countries must meet with a favourable response in the international context.

32. Another serious distortion in the modern world was caused by restrictions on the free flow of scientific and technological knowledge. Technological innovation was the very basis of development, and its benefits should not be reserved for certain regions only.

33. The question of the eradication of poverty deserved special attention. Indeed, there could be no economic growth without it. Any development policy must make it a priority to raise the standard of living of the whole population, and in particular that of the poorest segments, and to ensure the best possible distribution of income. A pattern of growth must be defined which would offer the poorest people an opportunity to increase their participation in the economy.

34. It was evident that the aggravation of poverty in Latin America was caused by economic stagnation. To address the problem, the Governments of Brazil and Argentina had agreed to establish a common market before December 1994, which Uruguay, Paraguay and Chile would later join.

35. Protecting the environment while promoting economic development was a major challenge to be taken up by the international community. The principle of the division of responsibilities according to the respective capabilities of countries should be taken as the starting-point. Since environmental protection was a global concern, it was important that the strategies proposed should not selectively address only certain aspects. Brazil was pleased to be hosting the United Nations Conference on Environment and Development at Rio in 1992.

36. All the problems he had mentioned required resolute joint action by the international community. International co-operation was essential if the world economy was to be further integrated. Multilateralism in international economic relations must be strengthened, and the Uruguay Round should ensure the preservation of the multilateral trade system.

37. The General Assembly and the Economic and Social Council had a major role to play. The effectiveness which the Organization had achieved in the political sphere should also be assured in its economic and social activities. The Declaration adopted at the eighteenth special session of the General Assembly and the international development strategy had given practical expression to a global consensus which should lead to increased co-operation, common understanding and a sense of responsibility, which were essential if the serious problems of the times were to be addressed. It was increasingly evident that the countries of the North and the countries of the South no longer regarded themselves as separate, and that the interdependence of the modern world required common goals for the two groups of countries. It was to be hoped that the work of the Second Committee would contribute to that understanding.

38. Mr. ALTAMIMI (Bahrain) regretted that the radical changes in the political arena had not been accompanied by the economic change which would make it possible to address the serious problems of the world, especially those of the developing countries.

39. The 1980s had been a lost decade. For the developing countries, the deterioration in the international economic situation had had catastrophic consequences: they had been unable to sustain stable growth, their share of international trade had decreased, the standard of living of their people had continued to decline, and they had been forced to reduce considerably their spending on education, health and social services to the detriment of their people, particularly the poorest segments of the population.

40. Currently, the most serious problem of the developing countries was that of debt. Since they were in the midst of economic stagnation, they faced insurmountable difficulties with regard to debt servicing, especially since other external factors (variations in exchange rates, a rise in interest rates and a decline in ODA) aggravated the situation still further. It was imperative that a common strategy should be established to relieve the debt burden and to increase the transfer of resources from developed to developing countries.

41. In effect, the developing countries were growing increasingly dependent on external aid. In that connection, he congratulated Kuwait, which had just decided to forgive the debt of certain debtor countries and which was studying the possibility of granting new loans on preferential terms. Kuwait had thus contributed to debt relief for several countries, even though it was currently under the yoke of occupation.

42. As far as international trade was concerned, the developing countries continued to suffer from protectionism and the non-application of the fundamental principles relating to most-favoured-nation treatment. More generally, the international economic imbalances which had widened in recent years, had had catastrophic repercussions for the developing countries. The international community should spare no effort to assist them.

43. He emphasized the problems and special needs of island or land-locked countries. Those countries required special attention, removed as they were from international markets and often dependent upon a single export product.

44. That did not mean that Bahrain wished to see one region develop at the expense of others. In an increasingly interdependent world, the development of all its regions must be ensured. The international community must draw up realistic economic policies that would create an environment conducive to global growth, and the developing countries should be able to take part in the establishment of the new international economic order.

45. He welcomed the Declaration on International Economic Co-operation adopted at the eighteenth special session of the General Assembly and the agreement reached on the international development strategy. The adoption of the two texts augured well for the future of the work of the United Nations, and of the Second Committee in particular.

46. Mr. KULKARNI (India) said that two historic events, the eighteenth special session of the General Assembly and the finalization of the international development strategy, had renewed the dialogue on areas which were crucial to international co-operation for development. The recent international political developments had generated an enthusiastic response which, it was to be hoped, would redound to the benefit of the developing countries. The general feeling was that European integration would have a positive effect on other countries. On the other hand, the Gulf crisis had placed a heavier burden on developing countries like India. Higher oil prices and falling revenues from a region rendered unstable by the crisis were among the obstacles to be overcome.

47. More generally, the previous year's record of economic growth had been mixed. The expansion of world trade and output had slowed down, imbalances among the major economies continued and, to add to the concerns of the developing countries, the monetary situation remained unstable and interest rates had risen. All those problems, which compounded a generally inhospitable environment, had pushed the developing countries even further out of the mainstream of international economic affairs. The growth in developed market economies over the previous decade had not had repercussions in the South, where the slow down had been one of the sharpest in recent years, with growth declining from 4.5 per cent to about 3.4 per cent.

48. Meanwhile, the developing countries were not exempt from more long-standing problems. In the case of debt, only a comprehensive solution could be a lasting one. There was also the problem of the stagnation of ODA in real terms, which remained well below the agreed target of 0.7 per cent of GNP. Commercial flows to developing countries were declining, resources were being transferred in the wrong direction, commodity prices were hovering around their lowest levels, protectionism continued to prevail and in some areas of development (like poverty alleviation and human resources development) the resources to make a real impact were lacking.

49. Two months away from the conclusion of the Uruguay Round, the developing countries still saw in it an opportunity to preserve and strengthen the international trading systems and achieve some progress in areas of direct interest to them.

50. Technology had become a vital determinant of development. Regrettably, new barriers to technology transfer were being erected in the name of protection of intellectual property or confidentiality. The asymmetry there must be removed by offering developing countries fair terms and facilitating their access to technologies of crucial significance to their economies.

51. Environmental issues were increasingly important, and the United Nations conference to be held in 1992 would be an event of great significance. Development issues could not, however, be dissociated from environmental concerns, which must therefore be addressed within the framework of the United Nations and not within a certain group which did not sufficiently reflect the needs and concerns of the developing countries. It was now accepted that environmental protection required the provision of additional funds and also the transfer of environmentally sound technology to the developing countries. Any regulatory mechanism would have to be accompanied by the requisite funding of technology transfers.

(Mr. Kulkarni, India)

52. The operational activities of the United Nations were no less important, and India wished to see a substantial increase in the resources allocated to them. If a larger portion of those activities were entrusted to local personnel, they would inevitably be less costly to execute and optimum use could be made of local expertise. The main thrust of operational activities must be towards endogenous capacity-building and self-reliance.

53. Finally, many energy-importing countries had been rudely reminded of the importance of energy supply for economic growth. For the developing countries with wildly fluctuating energy bills, it was more than ever necessary to develop or draw upon new and renewable sources of energy.

54. Mrs. DUEÑAS DE WHIST (Ecuador) said that many of the factors that had dominated the 1980s had undergone substantial change, and mankind was entering what might be termed an embryonic, yet promising, phase. That did not mean that the factors of instability, which were now well known, had disappeared. To judge from the statements in the General Assembly, international co-operation and understanding were conducive to a genuine implementation of the provisions of the Charter in the field of peace and security. However, the critical economic and social problems of the developing countries remained to be solved, and that called for a redefinition of the concepts of co-operation and solidarity at times of crisis. To begin with, it must be noted that peace was not the absence of war. It was first and foremost an individual and collective decision to live in harmony. Development problems must also be redefined in the contemporary world. Their true historical, economic, social and cultural causes were not fully understood. The concepts of poverty and development were obscured by a system of perception in which the weak surrendered and accepted the image imposed on them by the strong.

55. At a previous meeting, a new agenda had been proposed for the Second Committee and, more generally speaking, for the United Nations. Ecuador saw that proposal as a reflection of the historical and political development of the member countries of the European Economic Community. It required above all else considerable political, economic, social and even cultural homogeneity, and could not be considered for universal application for another half-century or more. On the other hand, the Charter of the United Nations had been born of the lessons of a very recent past and had fostered universal participation by nations and equality among them. For that reason, her delegation was greatly disturbed by the emerging trend to distort the terms of the Charter and alter its universal scope through a reform of the Economic and Social Council, turning the United Nations into a club of rich administrators. Clubs of that kind, which did so much harm to the peoples they administered, were only too familiar.

56. Finding a solution to the problem of development was a highly complex matter. One of the primary obstacles was the lack of political will on the part of all those who were affected by the major challenge which history posed to peace and security. A second obstacle was the lack of the will to overcome, gradually but resolutely, the root causes of instability and crisis - failing which, peace would remain an illusion and security would be born of fear. There must be a radically different perception of the links between peace, security and economic and social development.

57. Mrs. THORPE (Trinidad and Tobago) said that the numerous causes of the development crisis in the South had been identified some time ago, many having been inherited from the last decade. That was true of, inter alia, the problems of the debt crisis and of environmental degradation. Thus, in order to address the concerns of developing countries, the discussion had to be held on a new level. Authentic development was a holistic and multi-dimensional process, with human beings at its centre.

58. Progress was particularly difficult for island countries because of the high per capita cost of developing and maintaining essential infrastructures, and the situation was even worse in archipelagos. Such constraints were not always obvious, since the measure of economic growth was still based on gross national product (GNP), while scant attention was paid to the impact of economic activity on the environment or to the basic expenditures in areas such as health, education and social welfare.

59. The size of their domestic markets prevented the small countries benefiting from economies of scale. In order to sell their products, they had to turn to external markets. That was not easy, considering that the countries of the North had, for purposes of protectionism, erected trade barriers which were literally strangling the small economies. The reduction in export earnings due to the deterioration in the terms of trade and the difficulty of gaining access to markets, combined with a net outflow of resources resulting directly from debt service, had brought about a decline in the standard of living and an increase in poverty. As the economies of the North were enjoying their longest period of post-war growth, those of the South were deteriorating. Social upheavals were not uncommon in the South and there was a risk of militant elements of the population engaging in subversion. Such serious threats to the peace and security of the small States had to be averted. To do so, adequate support was needed to complement the national measures, undertaken at great sacrifice.

60. The Declaration adopted by the eighteenth special session of the General Assembly demonstrated the existence of a collective political will to resolve the problems of the developing countries. It was important to monitor the implementation of the commitments made and to preserve the global political momentum developed at that session.

61. The Uruguay Round negotiations must be brought to a successful conclusion in order to strengthen the international system and enter a new era of free trade. That could only be achieved by taking into account the problems of developing countries, in particular the smallest among them, and by respecting the commitments made during the negotiations (especially with regard to eliminating non-tariff trade barriers). The North American Free Trade Agreement and the restructuring of Europe by the end of 1992 represented important developments for world trade, since they would foster the economic integration of the two largest markets of the North. The positive aspects of those developments should be emphasized, avoiding any negative effects on the Uruguay Round, which could be viewed as part of a larger effort to revitalize multilateralism.

(Mrs. Thorpe, Trinidad and Tobago)

62. The most pressing problem was a financial one: the net transfer of resources was from the South to the North, with no indication that the trend would reverse itself in the immediate future. Action had to be taken on three levels. The first level was debt reduction; the indebtedness of the small middle-income countries had to be integrated into a revised strategy which was more appropriate to the situation. The second level consisted of increasing direct foreign investments in developing countries. Trinidad and Tobago had already implemented measures to encourage such a trend. However, the developed countries also needed to contribute, for example, through the use of incentives. On the third level, the Bretton Woods institutions needed to play a greater role in view of the fact that the commercial banks no longer occupied centre stage.

63. The revolutionary advances in several areas of science and technology to which the North had been witness during the past decade had opened up new opportunities in agriculture, medicine, industry and communications. There was, unfortunately, an ever-widening gap in technology between the North and the South, even if the technological obsolescence of the South was disregarded. Measures were needed to revive the North/South flow, strengthen the capacities of the developing countries and facilitate their access to technological innovations.

64. Any threat to the environment was a threat to mankind. The first concern should be to use modern science to achieve economic growth and promote development, within a sustainable ecological framework. Efforts should therefore be made to develop and use environmentally sound technology and to intensify research and development activities in the area of sustainable development. For its part, Trinidad and Tobago had demonstrated its commitment to the protection and enhancement of the environment by offering to host in October 1990 the Seventh Ministerial Meeting on the Environment in Latin America and the Caribbean. Her country was also concerned about the conservation and management of marine resources and had imposed a strict ban on large-scale drift-net fishing in its territorial waters. The enforcement of the ban would be monitored by a tripartite team composed of conservationists, fishermen and State agencies.

65. Mr. GHEZAL (Tunisia) expressed concern about the marginalization of the developing countries in general, and of the African continent in particular. The debt crisis, the negative net transfer of financial resources, the decline in commodity prices, the increase in poverty, and the degradation of the environment had contributed dangerously to the erosion of the social structure in many countries and threatened the stability of the new world order, which otherwise held out great hope for peace and prosperity.

66. External indebtedness was threatening the efforts of developing countries to reactivate their economic growth; at a time when they needed a net inflow of financial resources, developing countries were, on the contrary, continuing to suffer from a serious loss of resources. That problem called for global urgent, far-reaching and effective global action for the international community, in particular from the Governments of creditor countries and from multilateral financial institutions, since the middle-income countries, such as Tunisia, were also in a precarious situation. The report by Mr. Bettino Craxi contained some

(Mr. Ghezal, Tunisia)

promising new ideas which his country endorsed: conversion of bilateral debt into equity; creation of a Mediterranean development bank; cancelling of the least developed countries' debt service; and the setting up of a new 30 to 40 year repayment schedule.

67. While the international community was rightly concerned about environmental problems, it should be pointed out that the contribution of the developing countries to those problems was negligible in comparison with that of the industrialized nations, which however possessed the technological and financial means to resolve them. It was that situation that led the developing countries to hope that the developed countries would provide them with financial resources and free access to the appropriate technologies for environmentally sound development. Tunisia attached great importance to the United Nations Conference on Environment and Development, to be held in 1992, which should open the way for the implementation of global, collective and concerted action to combat the threats to the environment.

68. The erosion of the multilateral trading system in the 1980s as a result of unilateral and protectionist trends had placed a severe strain on the fragile balance of payments of most developing countries. The Uruguay Round was the most ambitious and complex set of negotiations ever organized within the framework of GATT and reflected the commitment of the international community to an open, stable trading system. Restoring the confidence of all contracting parties in that system was all the more necessary because many countries were in the midst of a structural adjustment process, which entailed heavy social sacrifices. His delegation hoped that the negotiations would be successful. It feared, however, that a lack of transparency might compromise the efforts undertaken almost a decade earlier. The establishment of an international trade organization was certainly an appealing idea, but it must be considered with prudence and without undue haste.

69. The United Nations must preserve its role as the universal forum for the consideration of development questions. Since the revival of multilateralism was the best guarantee that it would be able to adapt to the new international order emerging from the end of the cold war. The Declaration of the eighteenth special session of the General Assembly reaffirmed the Organization's role in the economic sector. It established that economic co-operation must be based on mutually beneficial interdependence in a world economic climate more conducive to development, i.e., more stable and more predictable. Moreover, the international development strategy which had recently been adopted defined the scope of priority activities and established the methods and instruments of international co-operation. Regional economic integration, one of the basic premises of the international economic reality, continued to arouse both hope and disquiet. It was important to prevent the establishment of groups by excluding trading partners. On the contrary, such groups should be the embodiment of measures to facilitate economic changes at times not easily attainable by a single country. The efforts made by the five countries of the Maghreb to forge the Arab Maghreb Union on a sound and healthy basis were reflective of that spirit. The Union was beginning to get its bearings among the major regional groups and hoped to promote open, fruitful co-operation with all nations and all regional groups, particularly those of the Mediterranean region.

70. Mrs. BERNARDIN (Haiti) noted that the ideological debate was becoming less shrill, the trend towards polarization of regional conflicts less pronounced and that an improved political climate was slowly permeating international relations. Even so, there were still many hotbeds of tension. Freedom and democracy were progressing the world over, but the living conditions of the better part of humanity had worsened dramatically. For a great many developing countries, particularly the countries known as the least developed countries, the 1980s had been characterized by a worsening economy, social tensions and a deteriorating environment.

71. In the face of the growing complexity of the problems to which the third world was exposed - which might well affect the chances for a lasting peace - there was an urgent need to look at the political machinery which had caused the tremendous waste of the 1980s. The volume of official aid had fallen short of the fixed target, the share of external contributions in the overall GDP of the LDCs had dropped. Contributions of resources were shrinking and essential co-operation programmes were being frozen (for highly questionable reasons, invoked unilaterally and selectively by the donors) at a time when the very vulnerable economies of the LDCs required stable, predictable, official development assistance (ODA). Structural adjustment programmes had been rigorously implemented at the expense of essential social services and productive investments. Commodity prices had depreciated in the foreign markets, and access to those markets was becoming increasingly difficult. Debt service absorbed a large share of export earnings. Population growth remained a major problem.

72. In Haiti, the economy's poor performance in the 1980s was a cruel illustration of those problems. Real per capita income had declined, unemployment had increased in the industrial sector, as had underemployment in agriculture. Private investments had declined owing to the climate of political instability, while official investments had been set back by the decrease, or complete drying up, of external assistance. Shrinking exports had brought on serious balance-of-payments difficulties and foreign exchange shortages. In that context, recovery measures had yielded poor results and the structural adjustment programme conceived in 1986 had been thwarted and even suspended at the end of 1987 because of non-participation by institutions for bilateral and multilateral assistance. The worsening of the economy was also attributable to an inability to deal properly with external shocks, and the fact that the growth rate of the GDP was still trailing the rate of population growth (1.5 per cent) and levels of consumption in 1987 were much lower than they had been in 1980.

73. The Government had two overall objectives for the decade: reduction of poverty and social injustice, promotion and development of human and natural resources and preservation of Haiti's cultural identity. The economic option remained a liberal option compatible with the national interest, one in which priority was accorded to the agricultural sector and additional special measures were taken for the other sectors. From a social perspective, the Government was seeking to make the men and women of Haiti veritable economic, social and political agents. At the institutional level, it was attempting to achieve decentralization in order to stimulate grass-roots participation in decision-making.

(Mrs. Bernardin, Haiti)

74. Her delegation shared the profound concern of the authorities and Member States of the United Nations in the face of the major social and economic issues of the decade. World poverty remained very serious and development had fallen off in vast areas. No task could be more urgent than the establishment of a new international economic order guaranteeing the basic right of all human beings to live free from hunger, poverty, ignorance, disease and fear. That would require a significant increase in ODA; the establishment of a system of international co-operation which took into account the specific problems of the most vulnerable countries and those most severely affected by the crisis, particularly the LDCs; special support for coping with the substantial increase in the energy bill; an equitable settlement of the question of external debt; the restructuring of multilateral institutions whose role in development financing must be fully in accordance with the objectives of the United Nations; a revival of South-South co-operation and regional integration; and, lastly, the entry into force of the Common Fund for Commodities.

75. Her delegation paid tribute to the many efforts being made in various places. They were examples of international solidarity as it was meant to be. Thus, the new programme of action adopted at the Second United Nations Conference on the Least Developed Countries, held in Paris, the debt-cancellation measures announced, particularly by France, were positive examples from that standpoint. Lastly, her delegation fervently hoped for the success of the Uruguay Round, which should have the effect of stimulating the liberalization of trade and strengthening multilateralism.

76. Mr. ALAMRI (United Arab Emirates) said that for the past several months, international relations had been progressing towards a depolarization that promised to have positive repercussions on the world economy. Iraq's invasion of Kuwait, however, was a set-back, made all the more serious because Kuwait had formerly granted considerable assistance to many developing countries, and was no longer able to do so. Worse still, the invasion had halted Kuwait's development, as Iraqi occupation authorities continued to dismantle Kuwait's economic infrastructure.

77. His delegation supported the statement made by the representative of Bolivia on behalf of the Group of 77; however, although the primary responsibility for tackling development problems lay with the developing countries themselves, the industrialized countries were none the less obligated to increase their aid to the third world, inasmuch as they possessed the necessary scientific and technical means, and were the ones who determined the evolution of the world economy. Those countries were therefore called upon to consider the repercussions which their policies could have on those of other countries. At the same time, developing countries should be involved in the decision-making process in international organizations.

78. With regard to the problem of hunger and malnutrition, it was necessary to provide direct assistance in kind to the persons affected, and to help the Governments of the countries concerned to successfully implement their development programmes, thereby furnishing the means by which they could provide for their own needs.

(Mr. Alamri, United Arab Emirates)

79. Protectionism and restrictive trade practices were hindering international trade and paralysing economic development, notably in those developing countries that were heavily dependent on export earnings. It was to be hoped that the creation of a single European market would not result in additional restrictions on products from non-member countries.

80. Foreign debt was one of the most serious problems facing developing countries, since much of their revenue went to servicing their debt thereby reducing the resources available for development. It was therefore important to support the proposals contained in the declaration adopted by the Ministers for Foreign Affairs of the Group of 77 at their fourteenth annual meeting. His delegation also was pleased to hear that the member States of the European Economic Community were prepared to consider the question of debt at the current session. Consideration would doubtless be given to measures to allow debtor countries to successfully implement their development programmes while ensuring the servicing of their debt, as well as to a borrowing system based on the principle of profit- and risk-sharing.

81. Science and technology were vitally important to the industrial and agricultural development of developing countries. It was therefore essential to facilitate the transfer of technology to those countries. In their declaration, the Ministers for Foreign Affairs of the Group of 77 had indicated their willingness to initiate new negotiations on the International Code of Conduct on the Transfer of Technology. That proposal should meet with a favourable response, and his delegation supported the plans for an international conference for the purpose of adopting the Code.

82. Developments in Eastern Europe offered new opportunities for investment, and should lead to an intensification of international exchanges. Those should be encouraged, but without prejudice to other countries. His delegation had been reassured on that subject by the statement of the representative of the European Economic Community.

83. Since its independence, the United Arab Emirates had sought to play a positive role on the world economic scene. In addition to official development assistance, it had established the Abu Dhabi Fund for Arab Economic Development, which granted concessional loans. In its petroleum policy, it always considered the interests of the world economy, as evidenced by its attitude during the current crisis in its region.

84. Mr. AWOONOR (Ghana) supported the statement of the Chairman of the Group of 77, and said that he proposed to discuss development problems from an African perspective. Africa had many causes for concern. In most African countries incomes had declined in absolute terms, and the number of people living in poverty was increasing faster in Africa than on other continents. Nevertheless, several African countries, in response to the calls of industrialized countries and international financial institutions, or on their own initiative, had introduced extensive structural adjustment and policy reforms which had imposed heavy sacrifices on their societies, in the hope of a better future. Ghana was one of

(Mr. Awoonor, Ghana)

the African countries which had pursued structural adjustment with determination and perseverance and the economy had shown signs of recovery. On the whole, however, the economies of African countries had sunk deeper into decline, while the industrialized countries had experienced seven years of sustained growth and prosperity.

85. The eighteenth special session of the General Assembly, the Paris Conference on the least developed countries, and the work of the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy represented attempts to address the problems of developing countries. However, his delegation felt that the nature and magnitude of the development challenges to be met had not been fully appreciated, as was evident from the excessive emphasis placed by industrialized countries on the responsibility of developing countries for their own development. Developing countries had never denied that responsibility, but had pointed out that the policies followed by the industrialized countries had created an unfavourable international economic environment, and that sound national policies must be complemented by a healthy international economic environment.

86. Despite the initiatives of the Toronto summit and the Paris Club, Africa remained encumbered with debt, the stock of which had increased from a few billion dollars in 1982 to over \$250 billion in 1990. Many of the creditors were multilateral financial institutions, which generally did not reschedule debts. A number of African countries no longer had access to the resources of IMF, and their access to other external credit, particularly commercial banks, was therefore effectively curtailed. While multilateral financial institutions had established new facilities, those facilities had been inadequate to meet the growing needs of the poor countries, and conditionalities had made access to the facilities difficult. The flow of official development assistance had stagnated over the years. With the exception of the Nordic countries, the richest countries had not attained half of the established target (0.7 per cent of gross national product). However, structural adjustment programmes required an adequate flow of resources so that growth-oriented policies could be pursued. Many African countries had adopted investment codes offering generous incentives to investors, but without substantial results. Africa had suffered from adverse terms of trade: structural adjustment programmes had expanded the commodities sector, but increased output had created a glut that had forced prices downward. The existing compensatory mechanisms (stabex and compensatory financing facility of IMF) should be revamped, since, in terms of comparative advantage, it would be beneficial to all if the processing of commodities such as cocoa were shifted from the North to the South. Implementation of the Integrated Programme for Commodities should stabilize the commodity markets.

87. The changes in Central and Eastern Europe promised to create opportunities which Africa should not ignore. It must take the need for economic integration more seriously, since it was the only region where intraregional trade represented an insignificant percentage of overall trading activities. Africa's trade was oriented towards external markets, which made it very vulnerable to external shocks. Practical measures, such as the construction of trans-African highways and telecommunications facilities, would promote economic integration. However, production and consumption patterns must change to foster self-reliance. The

(Mr. Awoonor, Ghana)

establishment of subregional economic groups (ECOWAS and SADCC) and the agreement for the establishment of an African economic community were encouraging, but the former colonial Powers should modify their traditional attitudes and perspectives, and recognize the right of the African nations to resolve their development problems without undue hindrance. Strengthened international co-operation, in which the developed countries manifested a true spirit of partnership, was essential to African development.

88. The CHAIRMAN announced that the general debate had ended.

The meeting rose at 1.15 p.m.