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New York

## SUMMARY RECORD OF THE 11th MEETING

Chairman:

Mr. BURKE

(Ireland)

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AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES  
(continued)

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The meeting was called to order at 3:05 p.m.

AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued) (A/46/155, A/46/159, A/46/317-S/22823, A/46/336, A/46/344, A/46/505)

1. Mr. ZHANG Yesui (China) said that while the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries recognized that each country was responsible for its own development, it also emphasized the international community's responsibility to support the developing countries' efforts to solve their grave economic and social problems by creating a favourable international economic environment. Effective measures were urgently needed to alleviate the debt burden of the developing countries, increase financial flows, including official development assistance (ODA), reduce and eliminate protectionist practices, and address the problems of extreme poverty and environmental degradation.
2. In recent years, China had established and further developed cooperative relations with many countries in such areas as trade and science and technology. In June 1991, at the initiative of the Chinese Government, the Ministerial Conference on Environment and Development had been held at Beijing for the purpose of promoting international cooperation in the area of environment and development. The Beijing Ministerial Declaration adopted by the Conference was an important contribution both to ongoing preparations for the United Nations Conference on Environment and Development and to international environmental cooperation in general.
3. As a country of the Asian and Pacific region, China participated in and contributed to regional economic cooperation. Over the years, China had increased its financial contribution to the Economic and Social Commission for Asia and the Pacific (ESCAP); in April 1992, the Chinese Government would act as host to the Commission's forty-seventh session.
4. In the next few years, a series of international conferences and meetings would be held and the Uruguay Round of multilateral trade negotiations would enter its final stage. His delegation hoped that all those events would be imbued with the spirit and principles of the Declaration on International Economic Cooperation.
5. Mr. EHLERS (Uruguay) said that his country had introduced an adjustment policy designed to promote growth: fiscal imbalances were being reduced substantially to combat inflation, domestic credit was under control and greater competitiveness was being encouraged. The recent adoption of legislation governing public enterprises was paving the way for private-sector participation in areas which had previously had been the exclusive domain of

(Mr. Ehlers, Uruguay)

the State. Complete or partial privatization were both under consideration and would include management controls to ensure that users of services and consumers of goods were the true beneficiaries.

6. Agreements had been reached which had enabled his country to meet its external debt obligations faithfully, despite the sacrifices imposed on the population. His delegation therefore hoped that Uruguay would not be penalized by decreased funding or greater conditionality.

7. His country's participation in the common market of the southern cone (MERCOSUR) presented a unique opportunity and challenge. To encourage local and foreign investment, legislation had been adopted to encourage the influx and unimpeded transfer of capital, and a system of free zones had been established to promote the transformation and re-export of manufactured goods. Tariff reductions were also continuing. The members of MERCOSUR, together with Bolivia, were promoting the optimum development of the Paraguay-Paraná waterway. Those efforts, which encouraged private-sector participation in infrastructure construction and maintenance and the provision of services, would spur the development of trade within the subregion and with the rest of the world.

8. His country attached the utmost importance to the Uruguay Round of multilateral trade negotiations, which ought to produce a clear set of rules that would allow Uruguay to make the best possible use of its comparative advantages, competitiveness and creativity in the interests of growth and development. Uruguayan farmers could not compete when the developed countries paid their own farmers huge subsidies - subsidies which those very countries condemned in other, analogous situations. It was imperative that all countries, and the developed countries in particular, should adhere to the commitments assumed by the international community in the Punta del Este Ministerial Declaration, the declarations emanating from the Montreal and Brussels ministerial meetings of the General Agreement on Tariffs and Trade (GATT), the declarations of the Group of Seven economic summits and the Declaration on International Economic Cooperation.

9. While his country recognized that democracy and respect for human rights were essential for genuine national development, no direct cause-and-effect relationship existed, and it was therefore unacceptable to condition the granting of development assistance on a country's political system. The developing countries needed access to the resources, technologies and markets of the developed countries, on clear, just and equitable terms. In addition, his delegation enthusiastically supported the Secretary-General's proposal to convene an international conference on development financing.

10. Mr. AIT CHALAAL (Algeria) said that his delegation fully endorsed the views expressed by the representative of Ghana on behalf of the Group of 77 at the Committee's 10th meeting. He drew attention to paragraph 12 of the Declaration on International Economic Cooperation and said that his delegation attached particular importance to the following priority objectives listed in

(Mr. Ait Chalaal, Algeria)

that document: an early and durable solution to the external debt problem of the developing countries; a halt to the negative transfer of financial resources from developing to developed countries; new financial flows to the developing countries on favourable terms; the implementation of the long-standing commitment by the developed countries to devote 0.7 per cent of GNP to ODA; improvement of the international economic environment, in particular by establishing an open and equitable trading system which took into account the particular situation and interests of the developing countries; support for the regional economic integration efforts of the developing countries; and, lastly, support for the efforts of developing countries to develop endogenous scientific and technological capabilities.

11. Although the developing countries were complying with the Declaration by adopting new economic policies, often at the expense of domestic stability, the situation in several regions of the world was still disconcerting. In Africa in particular, social and economic problems continued to worsen, largely because the international community had not honoured its commitments, a situation reflected in the failure of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD). His delegation hoped that the international community would effectively mobilize the necessary means to assist Africa during the 1990s.

12. Enhanced international cooperation would depend primarily on the political will of all States to honour the commitments and policies set out in the Declaration and endorsed in the International Development Strategy for the Fourth United Nations Development Decade. The forthcoming eighth session of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Conference on Environment and Development and the International Conference on Population and Development would provide the international community with major opportunities to respond positively to the pressing needs of the developing countries. In recent years Algeria had sought to make its institutions more democratic and had undertaken far-reaching economic reforms; accordingly, it was deeply committed to the objectives of the Declaration and would work tirelessly to promote the implementation of that instrument.

13. Mr. VAJPAYEE (India) said that the Declaration, and particularly paragraphs 21-37, provided a framework for urgent and meaningful cooperation among countries. While his delegation welcomed the information provided by Member States on measures taken individually and collectively to honour the commitments undertaken in the Declaration, it would have preferred an analytical review of those measures and hoped that such a report would be forthcoming in 1992.

14. Recognizing that economic growth required vigorous national efforts, his country had in recent weeks introduced momentous changes in its monetary, fiscal, trade and industrial policies with a view to stimulating production, encouraging foreign investment and trade, reducing fiscal and other imbalances and fostering private enterprise. India had also taken several steps, at considerable sacrifice, to honour its debt commitments.

(Mr. Vajpayee, India)

15. The World Economic Survey 1991 painted a bleak picture of the world economy and development assistance in 1991. Spurious links were being drawn between economic and social indicators and attempts to impose certain growth models and new conditionalities in international cooperation were being made. Yet the developing world clearly had done much to foster international economic cooperation, and it would not be long before the developed countries recognized that global interdependence was of vital importance to beneficial economic relations. As the Secretary-General had noted in his report on the work of the Organization (A/46/1), a reinvigoration of the North-South dialogue had become more urgent than ever. The Declaration and the Secretary-General's proposal for an international conference on development financing represented stages in that dialogue, and his delegation hoped that the current session of the General Assembly would provide firm guidance in that regard.

16. Mr. THWIN (Myanmar) said that the developing countries had accepted that they were primarily responsible for their growth and development and that sound national macroeconomic management policies were essential. For its part, Myanmar had moved from a centrally planned to a market-oriented economic system and had instituted far-reaching policy measures, including the abolition of price controls and subsidies, the streamlining of taxes and duties, the restructuring of wages and prices, the introduction of financial management systems and the decentralization of controls on State economic enterprises. Legislation to allow the establishment of private financial institutions would help channel private savings to the productive sector. To facilitate international trade, export and import procedures had been streamlined and infrastructure support improved. A favourable climate for direct foreign investment had been created by means of a new law which allowed up to 100 per cent foreign equity ownership. Private sector development was also being promoted. The Government's economic reform measures had led to increased agricultural productivity, a higher GDP growth rate and a rise in exports.

17. In the social field, educational reforms included a review of curricula, textbooks and the examination system and sectoral study conducted with assistance from the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). A new health plan had been formulated, and the Government had allocated considerable resources to poverty alleviation, particularly in the border areas.

18. Myanmar had been active at the national and international levels in the protection and conservation of the environment. The Government was promoting an environmentally sound and sustainable method of exploiting its abundant forest resources, and it had also recently approved the second phase of a national park protected area management scheme, funded by UNDP. Natural forest reserve areas were being expanded, new forests planted and the involvement of local communities encouraged. Myanmar had participated actively in international forums and regional meetings on the environment.

(Mr. Thwin, Myanmar)

19. While sound national policies were essential to growth and development in the developing countries, the international community had a responsibility to support those countries' efforts by creating a favourable international economic climate. Myanmar was heartened to learn of the measures taken by organs and organizations of the United Nations system, but it was the developed countries' implementation of their commitments and policies that was crucial. Myanmar was highly appreciative of the various initiatives described in document A/46/505, even though they would meet only a small part of the developing countries' needs. The global community should act in concert to ensure the full and effective implementation of the commitments and policies agreed in the Declaration and subsequent international documents such as the Paris Declaration and the International Development Strategy for the Fourth United Nations Development Decade.

20. Mr. KIM (Democratic People's Republic of Korea) said that there had been no sign of progress in the implementation of the Declaration. In the meantime, the economic prospects of the developing countries were being threatened by the changed international political scene, and the economic gap between North and South was widening. The successful implementation of the commitments and policies agreed upon in the Declaration required the creation of a just and sound environment for the sustained economic growth of the developing countries. The international community needed to establish a new and just international economic order, putting an end to indebtedness, declining commodity prices and raised trade barriers. The developed countries should refrain from politically motivated economic embargoes against developing countries and should not attach political preconditions to economic aid. International economic relations should be based on respect for each country's freedom to establish its own political, economic and social systems that suited the demands of its people and the specific conditions and characteristics of the country.

21. The functions and role of the United Nations should be substantially strengthened to allow it to play a central role in the establishment of the new international economic order, and any reform of its activities in the economic and social fields should promote the implementation of the commitments and policies agreed in the Declaration, the Programme of Action for the Least Developed Countries for the 1990s and the International Development Strategy for the Fourth United Nations Development Decade. International organizations had a major role to play in the implementation of the Declaration, and it was important that they should maintain their neutrality; there was concern among the developing countries at the introduction of a political theme in the UNDP Human Development Report 1991. It would be useful to review the implementation of the Declaration and take follow-up action at subsequent sessions of the Economic and Social Council and in the Second Committee. The establishment of an informal open-ended working group within the framework of the Committee might facilitate that exercise.

(Mr. Kim, Democratic People's  
Republic of Korea)

22. For its part, the Government of the Democratic People's Republic of Korea was developing economic exchanges with all countries on an equal footing, on the basis of its own established socialist economic system, and would do its utmost to help implement the Declaration.

23. Mr. MATRI (Pakistan) said that Pakistan had embarked upon a programme of comprehensive economic reforms aimed at stimulating economic activity within a liberal framework. Those reforms, involving privatization, deregulation and the removal of constraints on the private sector, were aimed at accelerating economic growth while maintaining macroeconomic stability, with market forces acting as the main engine of economic growth. Incentives to encourage industrial development, and agriculturally based industry in particular, included the abolition of all controls on industrial investment, even in areas where the public sector had traditionally held a monopoly, with a view to creating an environment in which foreign private investment might gradually replace foreign loans. Foreign currency restrictions and controls on access to domestic credit had been removed. Trade arrangements had been liberalized and import licensing eliminated. Nationalized banks had been privatized and restrictions on the setting up of private commercial banks had been removed. The Government's role was to provide mechanisms to support creative private-sector initiatives that would lead to widespread economic growth.

24. While most developing countries had undertaken extensive measures to liberalize and reform their economies, the industrialized countries had not matched those efforts. The international economic environment for the developing countries continued to deteriorate, and it was essential that the developed countries should endeavour to implement their share of the commitments agreed upon in the Declaration if the developing countries were to reap the benefits of the new post-cold war era of economic cooperation and partnership.

25. The Gulf crisis had aggravated the debt-servicing problems of the heavily indebted developing countries and debt strategy was needed for the group of economically prudent countries, including Pakistan, which had implemented structural adjustment programmes but whose debt burdens nevertheless remained very high. External financing for developing countries was decreasing and had become unpredictable, while the integration of Eastern Europe into the world market had created competition for scarce resources. The developed countries could and should endeavour to attain the agreed international target of 0.7 per cent of GNP for ODA.

26. An open and credible multilateral trading system could only be assured if the outcome of the Uruguay Round was balanced. It was essential to end the stalemate and achieve a satisfactory conclusion to the negotiations before the end of the year. The developing countries had vital sectoral interests which needed to be taken into account in the final outcome; for Pakistan, with its special interest in the textile and clothing sector, the phasing out of the Multifibre Arrangement was critical.

(Mr. Matri, Pakistan)

27. In view of the sincere efforts made by the African countries to implement structural adjustment programmes in spite of the social and human cost, his delegation urged the international community to carry out the commitment, made at the recent meeting of the Ad Hoc Committee of the Whole of the General Assembly on the Final Review and Appraisal of UNPAAERD to assist those countries in the pursuit of their development needs.

28. Mr. KUDRYAVTSEV (Union of Soviet Socialist Republics) said that the adoption of the Declaration on International Cooperation was evidence of a new consensus in the world on the importance of market mechanisms and stimuli, and of the need to encourage initiative and creativity to achieve economic growth. There was also recognition of the need to work for a genuine integration of the world economic system and to minimize non-productive expenditures, particularly in the military area.

29. A new economic agreement between the sovereign Republics of the USSR was currently in preparation, based on universally accepted principles of voluntary participation, the equality of all members, economic efficiency and mutual advantage. The agreement would cover a wide range of concerns, such as trade, tariffs, the monetary and banking systems, foreign economic relations and the financing of major technological, humanitarian and environmental programmes. The initial framework agreement would form the basis for 15 long-term and 6 short-term agreements between the Republics. After the swift disintegration of the old political and economic ties between the Republics that had followed the abortive coup in August, there were encouraging signs that Soviet society had found the inner strength necessary for its survival and recovery.

30. Inspired by its belief in the key role of the United Nations in the economic field, the USSR would continue to cooperate fully with international monetary and trade organizations and with the coordinating mechanisms of the industrialized world, such as the group of seven major industrialized countries, the European Economic Community (EEC) and the Organization for Economic Cooperation and Development (OECD). His country's move to an open economy was assisted by the Soviet Union's new, closer association with the International Monetary Fund (IMF) and the European Bank for Reconstruction and Development (EBRD) and by its fuller implementation of GATT rules.

31. While the Declaration was the first expression by the United Nations of international support for the reforms being undertaken in Eastern Europe and the USSR, those reforms could not succeed without the full reintegration of those countries into the world economic system. The USSR fully endorsed the call made in the Declaration for reduced military expenditures, and the recent declarations made by the Presidents of the USSR and the United States of America on massive reductions of arms and troops had set an example for the rest of the world to follow.



(Mr. Kudryavtsev, USSR)

32. If the Declaration was to achieve its stated aims, its provisions must be supported with the following specific measures: the de-ideologization and depoliticization of world economic relations; the provision of emergency assistance to countries affected by natural and man-made disasters; the mobilization of essential resources for development and the reconstruction of national economies, particularly those in a state of transition; the creation of the necessary internal economic and political conditions in countries receiving assistance and the free transfer of knowledge, technology, capital, human resources and goods throughout the world economic system. The progress made in implementing the Declaration should be reviewed on a regular basis and synchronized with the periodic review of the implementation of the new International Development Strategy.

33. Mr. GIRON (Colombia), speaking also on behalf of Peru, said that the two Governments had undertaken substantial social and economic reforms consonant with the spirit of the Declaration. The Government of Colombia was pursuing a general strategy to open up the economy, modernize the productive infrastructure, privatize State enterprises and the port system and rationalize other public bodies. Decisive steps had been taken to open up international trade and encourage foreign and domestic investment. The Government of Peru was pursuing a programme of economic stabilization and structural adjustment which had to a large extent succeeded in correcting distortions in the economy. Inflation had been dramatically reduced, subsidies eliminated, tariffs reduced to realistic levels and repayment of the international debt resumed. That effort had involved a rigorous programme of fiscal austerity and extensive privatization of State enterprises, at a high social cost.

34. All those changes had been implemented with the ultimate aim of achieving stable development and helping to create a favourable international economic environment as envisaged in the Declaration. It was thus a matter of grave concern that the circumstances which undermined the two countries' efforts and lay outside their individual control still persisted. Their products, like those of other developing countries, continued to encounter obstacles to access to major world markets. Inward investment was substantially less than the integrated and sustained development of their economies required, while heavy debt and debt-servicing burdens had reduced the resources available to satisfy the growing food, housing, education and health needs of their populations. Although the two countries wished to reaffirm their support for democratic principles and their respect for the fundamental rights and freedoms of the individual, those principles were vulnerable in an environment where human survival and dignity were threatened.

35. The new international political environment offered an opportunity for a resumption of the North-South dialogue and a balanced outcome to the Uruguay Round, thereby paving the way for the establishment of an open and reliable multilateral trading system. The eighth session of UNCTAD, to be held in Colombia in 1992, ought to lead to a new era of post-cold war cooperation.

(Mr. Giron, Colombia)

His delegation looked forward to a revitalized, more analytical UNCTAD with improved working methods and closer links to Bretton Woods institutions and GATT.

36. Mr. FLORES (Mexico) said that the dangerous trend towards the concentration of economic growth and technological development in the North must be reversed. In order to prevent the so-called new world order from further widening the gap between development and poverty, multilateral negotiations must be revitalized, since that was the only way Member States could fully honour the commitments they had undertaken in the Declaration on International Economic Cooperation.

37. In recent years, many developing countries had begun to implement major economic adjustment policies with a view to achieving economic recovery and growth. Those efforts must be complemented by an international economic environment conducive to development. The full implementation of the Declaration required additional efforts on the part of the developed countries to draw up specific agreements in the areas of resource transfers, debt, trade and commodities, industrial and technological development, extreme poverty, and the environment.

38. The United Nations should play the leading role in mobilizing international cooperation for development. In order to establish an adequate framework for the implementation, follow-up and analysis of the commitments and policies contained in the Declaration, better and increased coordination was required both within the United Nations system and between its various agencies and Member States. The current process of revitalizing and modernizing the United Nations system should contribute to the achievement of the general and specific objectives of the Declaration.

39. Mexico had begun a vigorous process of domestic reforms aimed at modernizing its economy and increasing its competitiveness at the international level. Mexico's economic policy was based on four strategies: the internationalization and opening up of the economy, technological innovation, domestic deregulation, and export promotions. Those measures would only be strengthened by an international environment that was favourable to such efforts.

40. Miss SEALY (Jamaica) said that the commitments and policies contained in the Declaration on International Economic Cooperation called for action at both the national and international levels. Many developing countries, including Jamaica, were already endeavouring to control inflation, promote domestic and foreign investment, modernize their economies and increase their international competitiveness. However, such policies could be successful only if they were supported by the international community.

41. The Secretary-General's report (A/46/505) contained information about the steps the Government of Jamaica was taking to implement the Declaration. However, Jamaica's efforts were hampered by limited human and financial

(Miss Sealy, Jamaica)

resources, and required international support. The creation of a supportive international environment called for urgent action in four major areas. First, there must be a substantial reduction in the cost of debt-servicing. While some important steps had been taken by a number of creditor countries and a number of strategies to deal with commercial debt had achieved some success, sustained international action was required on an even more focused and international scale. In particular, international financial institutions should rethink their policies in relation to the restructuring and refinancing of debts owed them by developing countries that were net contributors to those institutions. Second, developing countries' commodity and raw material exports, which were often their most important source of foreign exchange, must be allowed access to world markets. Third, if developing countries were to grow, there should be higher levels of investment in their economies, including a greater flow of technical assistance. Fourth, human resources development must be given high priority. Her delegation was encouraged by the attention that was being given to that aspect of development by Governments and organs and bodies of the United Nations system. Those activities should be expanded, since human resources development was an essential condition of sustained economic growth.

42. Mr. CANDAO (Philippines) said that the notion of interdependence was of crucial significance to the Declaration on International Economic Cooperation and was inextricably linked with cooperation itself. The Declaration was a distillation of the aspirations expressed in many previous declarations and resolutions adopted by the United Nations and represented a landmark in the Organization's development literature.

43. The Philippines was committed to the implementation of the provisions of the Declaration, as manifested by its medium-term development plan for the period 1988-1992, which pursued a wide range of national development goals, such as the alleviation of poverty, the generation of more productive employment, the promotion of equity and social justice and the attainment of sustainable economic growth. Numerous specific measures were being implemented in pursuit of those goals, including the decentralization of government structures, the promotion of agrarian reform and environmental protection programmes and the improvement of health, education, social welfare and crime-prevention services. Steps had also been taken to encourage domestic and foreign investment, to promote cottage, small- and medium-sized industries and to increase participation by local government bodies and the private sector in various infrastructure projects and in development administration.

44. The developing countries were being exhorted to manifest greater self-reliance, but self-reliance could not be attained without help from other developing countries and the developed world in overcoming the massive external debt and debt-service burden that was eating away their already meagre export earnings. The funds thus released could be used to import new technology to hasten economic growth and development. Currently, 80 per cent of all foreign direct investments by Japan, the European Community and the

(Mr. Candao, Philippines)

United States was made within that group of countries. More direct investment must be diverted to the developing world and accompanied by investment promotion programmes with attractive incentives. In addition, the protectionist policies pursued by the developed countries should be discontinued, to allow greater market access for exports from the developing world. Finally, the developing world could not afford to preserve its forests and keep its waters clean or to serve as a sink for the pollutants of the developed world, unless it received additional funds for the purchase of environmentally appropriate technology.

45. After a procedural discussion in which Mr. SERSALE di CERISANO (Argentina), Mr. JOMAA (Tunisia), Mr. OULD CHEIKH EL GAOUTH (Mauritania), Miss JANJUA (Pakistan), Mr. MISSARY (Yemen) and the Secretary of the Committee took part, the CHAIRMAN informed the Committee that he would prepare a summary of the general discussion of agenda item 89 and distribute it to delegations.

The meeting rose at 5.30 p.m.