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Chairman: Mr. BURKE (Ireland)

CONTENTS

AGENDA ITEM 80: INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES

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

AGENDA ITEM 80: INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (A/46/317, 344, 454, 501/Rev.1 and 520)

1. Mr. AHMED (Under-Secretary-General for International Economic and Social Affairs), presenting the report of the Secretary-General on international cooperation for the eradication of poverty in developing countries (A/46/454) which has been prepared in response to the request by the General Assembly, said that during the previous decade consideration of the international economic environment and domestic stabilization had taken precedence over the question of poverty. In the past few years, however, poverty had been reinstated on the international agenda, as evidenced by the consideration it had received in the Declaration on International Economic Cooperation adopted by the General Assembly at its eighteenth special session in 1990, as well as in the International Development Strategy for the Fourth United Nations Development Decade. The Development Committee of the World Bank and IMF had recently declared in a communiqué that the reduction of poverty would be one of its priority development objectives for the 1990s.

2. In the 1980s, the proportion of poor people in relation to the total population had continued to fall in Asia; at the same time, in Africa, it had risen more rapidly than in the 1970s, and had begun again to increase in Latin America where per capita output had declined largely due to the sharp fall in capital inflows, high real interest rates, and the decline in the region's terms of trade. In Asia, although the proportion of the poor in relation to the total population had declined in the 1980s, the current numbers were none the less staggering - approximately 800 million, or over two thirds of the world's poor, lived in Asia.

3. There was no doubt that over the long term and worldwide, there had been a measurable reduction of the proportion of poor people in relation to the total population; that had been achieved by a combination of strategies: sustained economic growth, investments in human development and basic needs programmes for poor and vulnerable groups. Access to primary education played a critical role as did employment generation and the expansion of self-employment activities.

4. Poverty would be substantially reduced and eventually eliminated only if countries adopted appropriate domestic policies and measures and embraced a development style in which economic progress was more equitably distributed.

5. A favourable international economic environment was also indispensable, as were the efforts of the developing countries themselves. The developed countries should, in particular, liberalize trade, increase resource transfers to developing countries and adopt policies more conducive to lower interest rates.

(Mr. Ahmed)

6. The external debt burden continued to be a major constraint to the economic recovery of the developing countries. It was striking, indeed, that since the early 1980s, the direction of net flows of financial resources had been reversed and developing countries had become providers of net resources to the rest of the world. In 1990 alone, the developing countries had transferred $32 billion abroad. Based on World Bank forecasts, a more favourable international economic environment could reduce the number of poor people in developing countries by approximately 150 million during the next 10 years.

7. Poverty could be reduced even further if the developed countries increased their official development assistance (ODA) by using the savings resulting from reductions in military expenditures. For example, if annual ODA to the developing countries were doubled in the 1990s so as to reach the United Nations target of 0.7 per cent of gross national product (GNP), annual growth in the developing countries would increase by 0.2 per cent. That increase could be financed from a 5 per cent reduction in military expenditures in the developed countries. In addition, there was need to encourage the application of new technologies in ways that would improve substantially the food, health and environment of the poor and vulnerable groups.

8. Lastly, collective action was essential in order to translate into reality the commitments undertaken by the international community in numerous international and regional forums.

9. Mr. KUFUOR (Ghana) said that poverty was now a priority item on the international agenda. The living conditions of large segments of the population in the developing countries were calamitous. The gap between rich and poor was huge and continued to widen as did the disparity in incomes between developed and developing countries. The poor, who currently accounted for 75 per cent of the world's population, received only 15 per cent of world revenues. Those figures hid the reality of lives lived in privation, abject poverty and despair, since the poor, lacking access to education and health care, could not hope for the slightest improvement in their living standards; in an age of unprecedented wealth and technological progress that was unconscionable.

10. The Governments of the developing countries were deeply concerned at the steady decline in the economic and social situation of a large part of their populations, but their efforts were doomed to failure insofar as they had no control over the international economic environment. Debt servicing placed a drain on their resources and they no longer had access to credit nor to the direct investments which they needed. Moreover, the prices of the commodities which the developing countries exported had fallen by 40 per cent over the past few years, causing most of them to record negative growth rates.

(Mr. Kufuor, Ghana)

11. During the recent debates in the Second Committee on the honouring of commitments and the implementation of the policies agreed upon in the Declaration on International Economic Cooperation, the conclusions and assessments had been far from encouraging. The fate of the developing countries depended on reforms, but so far the resources allocated to reforms had been grossly inadequate and the short-term structural adjustment programmes adopted had impeded the improvement of social services: the poor had no access to education, health care, drinking water or sanitation services

12. Accordingly, it was up to the developed countries to create a favourable international economic environment; the democracy introduced within countries must be paralleled by equality at the international level. If development and growth were to resume in the developing countries, it would be necessary to establish a system based on equity, which would ensure a reduction in interest rates and adequate prices for the commodities exported by those countries.

13. Mr. RADE (Netherlands), speaking on behalf of the European Community and its member States, said that the report of the Secretary-General on international cooperation for the eradication of poverty in developing countries (A/46/454) provided a valuable basis for consideration of that important issue.

14. The international community must eliminate poverty, first, for moral reasons, since humanity could not in good conscience tolerate the existence of more than one billion poor people; secondly, for demographic reasons, since population growth continued to be one of the main reasons for the persistence of poverty; thirdly, for ecological reasons, since poverty led to overexploitation, and consequent damage to the environment; and finally, for political reasons, since poverty was a threat to national and international stability.

15. As noted in the World Bank's World Development Report 1990, one fifth of the world's population did not enjoy the benefits of development. Yet, according to the second Human Development Report of the United Nations Development Programme (UNDP), it would be possible if not to eliminate poverty at any rate to alleviate it; the obstacle to the alleviation of poverty was not so much a lack of resources, but rather the inequitable distribution of land and of the fruits of development; in essence, poverty was a social and political problem. The conclusions of those reports corresponded in many respects. While economic growth and poverty alleviation were linked and mutually reinforcing phenomena, economic growth must be based on labour-intensive systems, which implied development of the most abundant resource of the developing countries, namely, human resources. Investment in human services, such as health care and education, would lay the foundations for economic growth.

16. More than two thirds of the world's poor lived in Asia, and one sixth in sub-Saharan Africa. While the number of poor in Asia was expected to decline

(Mr. Rade, Netherlands

in the next few years, a considerable increase in poverty was anticipated in Africa. Poverty was characterized by insufficient access to basic social services and by the absence of participation in decision-making processes. T solve the problem, it was, above all, necessary to ensure that all citizens had access to basic social services. While remaining within existing budgets Governments could make progress by clearly defining their priorities and rationalizing the use of their scarce resources. Equitable distribution of income and sound fiscal, budgetary and monetary policies were indispensable. Prestigious but unproductive programmes which were a drain on the national budget needed to be eliminated; sensible macro-economic policies should be adopted, striking a careful balance between the responsibilities of the publi and private sectors. In many regions, armed conflict continued to impede development.

17. It was equally important for the poor to have a voice. Democracy was currently considered a key to expanding human potential and to attaining sustainable development.

18. A more systematic study of poverty - the characteristics, demographics and living conditions of the poor, paying particular attention to the situation of poor households headed by women - should serve as the basis for policy-making in that area. Since developing countries did not themselves have the necessary institutions to collect and analyse data on socio-economic problems, poverty in particular, it was important to build up the capabilitie of those countries in that field. The European Community would continue to make efforts in that direction and also called upon the World Bank and UNDP t continue their valuable work in that area, in collaboration with bilateral donors.

19. Favourable external economic conditions were also essential, including open trade systems, debt-relief measures and concessional aid. The Community reaffirmed its commitment to attaining the target for official development assistance (ODA) set by the United Nations, to improve the quality of that assistance and to focus it on efforts to eliminate poverty.

20. Mrs. AMARESEKARE (Sri Lanka) fully endorsed the views expressed by the Under-Secretary-General for International Economic and Social Affairs and recalled that in its resolutions 44/211 and 44/212, the General Assembly had called upon the developing countries to step up their actions to eliminate poverty and had requested the developed countries to increase their financial contributions, including official development assistance, and to expand transfers of technology to the developing countries.

21. Resolution 44/211 expressly stated that there was a need for priority allocation of grant resources to programmes and projects in low-income countries. It should be noted in that regard that the criteria used for calculating the indicative planning figures (IPF) for the fifth programming cycle of UNDP only partially met that requirement. Certainly 55 per cent of

(Mrs. Amaresekare, Sri Lanka)

the IPF rescurces were allocated to the least developed countries; however, developed countries should undertake to maintain for those countries a level of resource allocation at least equal to that of the previous cycle.

22. One fifth of the world's population currently lived in poverty. Yet, t equivalent of 0.3 per cent of the consumption of the developed countries or 1 per cent of that of the developing countries would be enough to wipe out absolute poverty. It followed that poverty was attributable not to lack of financial resources, but rather to sluggish economic growth; inequitable distribution of income at both the national and international levels; the population explosion; insufficient land, capital, skills and infrastructure; and environmental degradation.

23. In Sri Lanka, each successive Government had been committed to implementing economic policies to combat poverty. In 1977, in response to economic stagnation, it had been necessary to restructure the distribution o income to ensure that welfare programmes did not interfere with productive investment. Since then, the Government had been striving to eliminate pover by stimulating economic growth, in particular by moving from a planned econo to a market economy, and by encouraging the private sector. Her country had thus been able to attain an annual growth rate of 5 per cent during the last decade. Still, economic growth alone was not sufficient to ensure an equitable distribution of income, at least in the short run. In fact, durin that period, poverty, unemployment and malnutrition had increased and, in consequence, direct governmental intervention had been required to remedy those ills.

24. The Government had accordingly decided to launch, with the assistance o the World Bank and UNDP, a novel programme whereby each beneficiary received monthly entitlement for a period of two years, part of it was to be used for human resource development and part was to be invested for the purpose of starting an independent enterprise. In order to reach the entire disadvantaged population, available funds would have to be increased and technical assistance strengthened.

25. For various reasons, determined to a large extent by external factors, most developing countries found it extremely difficult to sustain poverty alleviation programmes without assistance from the developed countries; such assistance needed to be substantially augmented. Everyone had come to understand that poverty destabilized not only developing countries but also developed countries. Elimination of poverty should therefore be an absolute priority: surpassing national boundaries, peace and prosperity in one part c the world required the elimination of poverty in the other.

26. Mr. SØRENSEN (Denmark), speaking on behalf of the Nordic countries, recalled that around 20 per cent of the world's population lived in absolute poverty and that the number was still increasing. That indicated a lack of genuine commitment by both the developed and the developing countries, which should together do all in their power to alleviate poverty.

(Mr. Sørensen, Denmark)

27. The Governments of the affected countries themselves had the primary responsibility for formulating and implementing policies aimed at actually eliminating poverty and promoting growth with equity. However, economic growth, no matter how important, was not in itself enough to do away with poverty, and complementary policies were needed to ensure that increased welfare reached all layers of the society. Labour often being the only production factor owned by the poor, strategies to create employment must be developed. Access to land and credits, particularly for the rural poor, also helped raise the standard of living, and there ought to be scope in many countries for redistribution of land to the most disadvantaged. Various services - health, education, vocational training and family planning - were also vital. A reduction of military expenditure, which absorbed 5.5 per cent of the gross national product (GNP) of developing countries, would release resources that could be put to good use in development strategies. Democracy, public participation and effective development of human resources also played an important role in alleviating poverty. Lastly, it should be emphasized that poverty, population growth and environmental degradation were closely interlinked and concerted action was needed to break that vicious circle.

28. The donor countries as well had special responsibilities. They must try to create global economic conditions favouring growth, notably by opening up markets. The Nordic countries therefore urged all participants in the Uruguay Round to make a real effort to bring them to a successful conclusion in the near future.

29. There was also an urgent need for the industrial countries to endeavour to reach the target of 7 per cent of the GNP for official development assistance. The assistance should go as a priority to countries making genuine efforts to reduce poverty and should be directed to poverty-oriented programmes and projects.

30. The Nordic countries were convinced that only a concerted approach by both donor and recipient countries would create the conditions for sustainable development.

31. Mr. RAZALI (Malaysia) said that with more than 1.5 billion people living in wretched poverty, all countries must share the responsibility for fighting poverty. It was to be hoped that the United Nations Conference on Environment and Development would adopt a plan for international action on sustainable development, with special emphasis on ODA and the eradication of poverty.

32. There was no question that, if poverty was to be significantly reduced, the right kind of domestic policies would have to be accompanied by long-term external support. The problem was so enormous that countries could not solve it by domestic measures alone. While the developing countries had the central role, the developed countries as well must do what was needed. Economic growth enabled developing countries to improve health and educational services while allowing the poor to obtain access to income-generating employment,

(Mr. Razali, Malaysia)

which in turn improved their standard of living. In that regard, an international economic environment conducive to anti-poverty efforts was essential.

33. A first priority, therefore, was to increase the transfer of resources to developing countries, especially for debt relief and fresh flows of capital. Equally important were international trade and higher export earnings. Protectionism in the industrial countries was costing developing countries $100 billion annually in lost revenues for agricultural products and $50 billion for textiles and clothing. Lastly, ODA had to be increased and it would be helpful to restructure it and channel it towards poverty reduction.

34. It was commonly maintained that poverty was closely linked to population pressure, but a reduction in population growth would not suffice to eliminate poverty. In many countries it would, of course, make it easier to accelerate development. The current situation and the forecasts clearly indicated that the problems associated with rapid population growth would intensify. Multilateral and bilateral assistance in the population field should therefore be doubled by 1995.

35. In addition, the Secretary-General should set up a mechanism to coordinate what would in effect be a United Nations plan of action on poverty. Such a strategy should take into account three important factors: the declining economy, population growth and environmental degradation.

36. Malaysia, whose success had recently been cited by the World Bank, had endeavoured for 30 years to implement a comprehensive programme to promote economic growth and to devote sufficient resources to improving the quality of life. That programme had resulted in the reduction of poor households in Malaysia from 52.4 per cent in 1970 to 17.1 per cent in 1990. Further improvements should reduce the rate of poverty to 11.1 per cent by 1995. The incidence of hard-core poverty should decline from 4 per cent to 2 per cent. It was on the latter that Malaysia would focus its efforts, since dire poverty was no longer a major problem in the country. His Government was also taking steps to provide for the basic needs of the poor. The strong growth of the nation's economy would help improve the situation by giving the poor in both rural and urban areas more opportunities to increase their income and raise their standard of living. The Government would continue its efforts to encourage the poor to become self-reliant. The projected growth of the GDP - to 7 per cent by the end of the century - would create employment and sources of income. In the rural areas, past investments in infrastructure and social services, especially education, would offer employment opportunities in the non-agricultural sectors to the poor. Wage employment would thus become a more important determinant of rural household income, and would improve the distribution of income in the country.

37. Its national development policy was going to focus more on developing human resources in the fight against poverty. The problems associated with

(Mr. Razali, Malaysia)

relative poverty would not be ignored, and emphasis would be given to the low-income segment of the population so that the socio-economic position of low-income households would not deteriorate. In the light of its experience, Malaysia believed that the attack on poverty must be waged on many fronts, the common goal being to lift individuals out of the vicious circle of poverty. A coordinated approach was especially necessary because of the limited physical, human and financial resources in the developing countries.

38. It was clear that the problem of poverty must be addressed in its entirety, both at the national and international levels, and that action solely by national governments was no longer enough. Economic growth and sustainable development in the developing countries were intrinsically linked to an international economic environment that promoted growth and development. It was urgent to rectify the inequities of the world economy, and the international financial institutions as well as the developed countries had a pivotal role to play in that regard: as a first step, developed countries should ensure that their decisions did not have adverse repercussions on the developing countries that could hinder their efforts to eradicate poverty.

39. Since acute poverty persisted, especially in many parts of Asia and Africa, the international community must make a much greater commitment to eliminating it. Urgent steps should be taken to have the international funding agencies give priority to poverty-sensitive programmes. That was especially true for the World Bank and the United Nations Development Programme (UNDP).

40. Mr. JIMENEZ (World Bank) said that it was difficult to count the world's poor because, in addition to household income and expenditures, other factors relating to well-being had to be taken into account. Nevertheless, in 1985 approximately 1.1 billion persons, or one third of the population of the developing countries, had been living below the poverty line. Nearly half of them had been extremely poor, meaning that they had not had enough income to meet their basic health and nutrition needs. The geographical regions with the highest concentration of poor people were southern Asia and sub-Saharan Africa.

41. Generalities aside, there were substantial variations even within different countries. Firstly, poverty very often was a regional phenomenon and was worse in rural areas. Furthermore, people with low incomes generally also lacked assets, particularly land, and were illiterate, particularly in the case of women, and especially in Africa and South Asia. Moreover, although some households were mired in poverty, for others its severity was determined by changes in weather or the terms of trade for the goods which they bought or sold. In addition, the poor spent up to 70 per cent of their income on food, which meant that the price of staples was of crucial importance. Lastly, they lacked sufficient access to education and health care.

(Mr. Jimenez, World Bank)

42. Furthermore, poverty was not a static phenomenon: in most countries, from the 1960s to the 1980s there had been dramatic improvements in some indicators. That variation in country experience had led the Bank to examine the strategies of countries which had been most successful.

43. A key weapon for combating poverty was the promotion of labour-intensive growth. In most countries, labour was an abundant resource and its rational use contributed to development. Any policy biased against labour should be avoided. As an example, it was unwise to tax agricultural expansion, since that sector could create jobs for the poor. The inevitable result of the tax on agricultural commodities, which was as high as 63 per cent in some African countries, was a decline in farm output. Governments also could stimulate the urban demand for labour by liberalizing certain regulations which, in protecting capital-intensive industries, undermined the expansion of the informal sector. To promote opportunities for economic progress, it was also necessary to facilitate access to land, credit and public services. With regard to credit, the innovative solutions adopted in Bangladesh and Indonesia, which made it possible to lower administrative costs, deserved mention.

44. The delivery of social services to the poor was the second feature of any long-term strategy for reducing poverty. Improvements in education, health and nutrition directly addressed the worst consequences of poverty at the same time that they eliminated one of its major causes. Statistics showed that, even among self-employed workers, productivity increased as educational levels rose. In addition, better-educated mothers had healthier children.

45. While less well-documented, the effects of better health and nutrition on productivity were also significant. And better nutrition improved a child's capacity to learn. The effects of investments in the various social sectors thus tended to complement each other.

46. Accordingly, it was necessary to provide increased social services, although in many countries that was not enough. Such services also must be better adapted to the needs of the poor.

47. However, even when the productive use of labour was promoted and basic services were provided to the poor, many of them - particularly the sick, the old, and those living in poor regions - would continue to be deprived in the absence of a carefully conceived programme of targeted transfers and social safety nets.

48. The World Bank, for its part, sought to integrate that approach in its operations. It analysed each country's policies, programmes and institutions to determine whether they helped to combat poverty, and designed assistance programmes which supported the country's efforts to that end. Specific recommendations, however, would vary from country to country.

49. Mr. MA Zhaoxu (China) said that since the Second World War, the globalization of the economy and advances in science and technology had resulted in a rapid expansion of wealth, while in sharp contrast, the number of poor people in the developing countries had rapidly increased and their living standards had continued to decline. Thus, 1.1 billion people in the world lived in poverty, and over 600 million of them lived in abject poverty. The prospects for solving the problem during the 1990s were bleak.

50. The developing countries had spared no effort to eliminate poverty, the root cause of which was underdevelopment, but the overall results had hardly been positive. The main reason was that the international economic environment had continued to deteriorate during the 1980s: the heavy debt burden, the massive outflow of capital, the low price of commodities, the deterioration in terms of trade, as well as rapid population growth, had restrained capital accumulation and investment in the developing countries.

51. For several years, poverty had been receiving increasing attention from the international community, which had come to understand it better. The General Assembly - in the Declaration adopted at its eighteenth special session and in the International Development Strategy for the Fourth United Nations Development Decade - as well as the World Bank and IMF had made the reduction of poverty and the promotion of economic development a priority for the 1990s. It was essential for the world community to adopt practical and effective measures to translate those declarations into concrete action. That required a consensus on a global strategy for the eradication of poverty during the 1990s.

52. Firstly, the developing and the developed countries shared the responsibility for eradicating poverty. To that end, it was necessary to revitalize the economic growth of the developing countries. They should strive by their own efforts to achieve sustainable economic growth, and their efforts must be supported by the developed countries. Secondly, it was necessary to increase the transfer of resources, particularly in the form of official development assistance (ODA). Although limited, such assistance could have a significant impact on the reduction of poverty. Accordingly, the developed countries should honour their commitment to increase their ODA by using the resources resulting from disarmament for that purpose. Thirdly, it was imperative to improve the international economic environment. To that end, it was necessary to reduce the debt burden, eliminate trade barriers and increase the flow of capital to the developing countries. Lastly, international agencies should give priority to the alleviation of poverty.

53. The Secretary-General's report, which was an improvement on the previous year's, mentioned in several instances, the action taken by the Chinese Government to eliminate poverty: the gradual increase in the input of capital and materials to poor areas of the country had yielded results, as demonstrated by rapid economic growth, a substantial increase in the incomes of peasants in poor areas, and a notable improvement in standards of living. There had thus been a shift away from mere relief work to real economic

(Mr. Ma Zhaoxu, China)

development, an enhanced production capability based on agriculture, the dissemination of science and technology, and the strengthening of project management and intellectual development. Nevertheless, there were still 35 million Chinese who had yet to extricate themselves from poverty. Hence, the task was not yet over. China hoped that it would continue to benefit from the help and cooperation of the international community, particularly United Nations agencies.

54. Mr. KHAN (Bangladesh) said that his country strongly believed that the task of improving conditions for the world's poor must command the energies of the international community. The factors contributing to the deepening poverty in developing countries were many and complex: the extent to which individual countries were endowed with resources, demographic trends, susceptibility to natural disasters, and socio-economic structures inherited from the past. The Secretary-General's report (A/46/454) provided an excellent analysis. Bangladesh agreed that success in eradicating poverty would largely depend on an appropriate mix of policies designed to augment domestic savings, investment in productive sectors, and diversification of the narrow economic bases of the countries concerned, while increasing access for the poor to productive assets.

55. The new Government of Bangladesh had adopted far-reaching measures to move in that direction and was seeking to increase both savings and capital through new investment in productive sectors, with priority being given to agriculture, education, health and family planning, sectors which were relatively more useful in promoting interdependent economic activities and spurring growth on a wide front.

56. Bangladesh was particularly conscious of the impact of rapid population growth on its development. Population growth had increased pressure on its available resources, including land, food supplies, fuelwood and social services. Its development plans were naturally premised on the need to slow down population growth significantly. Furthermore, it was imperative to give priority to ways of mitigating the consequences of natural disasters, such as the cyclones and floods which often struck the country. The series of actions initiated could lead to significant progress in those areas.

57. A number of important sectoral reforms were being implemented. Bangladesh was striving to restore macroeconomic stability through fiscal and monetary policies. Flexible exchange rate management had allowed exports to become more competitive, and policy reforms had encouraged private initiative in agriculture, industry and the financial sector.

58. Bangladesh had made the goal of poverty eradication a key element of its fourth five-year plan. With 30 per cent of the population living below the poverty line and 80 per cent operating in the informal sector, institutional innovation and further decentralization were required in order to ensure that development programmes focused on the poor and the disadvantaged. One of the successful innovations in Bangladesh was a rural credit programme.

(Mr. Khan, Bangladesh)

59. In that same context, his delegation would also like to stress the importance of an external economic environment conducive to development. If poverty was to be reduced and eventually eliminated, the right kind of domestic policies must be accompanied by long-term external support. A first priority in that regard should be to increase the net transfer of resources to the developing countries. The whole array of policies which determined the flow of resources to those countries must be considered. A viable solution to the debt crisis must also be found. International trade and export earnings were also essential for the growth of developing countries. The potential of forward and backward linkages of a dynamic export sector must be fully utilized. Both tariff and non-tariff protective barriers had continued to thwart efforts to reduce poverty in the developing countries. It was equally urgent to integrate the developing countries into the scientific and technological revolution which was now fundamentaly transforming global economic relations. The developing countries had largely been bypassed by that process of transformation. The consequent uneven pattern of development in developed and developing countries had not contributed to poverty-alleviation programmes in the vast majority of developing countries. In order to win the struggle against poverty, the developing countries must have help from other countries.

60. Mr. PADILLA (United States of America) said that the eradication of poverty in the developing countries formed part of the United States tradition of moral responsibility for the poor. Poverty was an issue fundamental to the work of the Second Committee and had been much discussed in that forum, but not always in realistic terms. The United States would like to see the discussion shift from the ideal but impractical goal of eradication towards a course that was more achievable in the near term. Recurring resolutions on poverty had become a sterile exercise because they had failed to address the underlying problems. A more useful activity would be a discussion on the root causes of poverty, which could serve as a basis for concerted action. For instance, the United States would welcome a discussion of how to mobilize human and natural resources to build productive capacity. Previous resolutions had failed to confront head-on conditions that cried out for urgent action: policies that discouraged agricultural development; regulatory climates that discouraged private sector activity and foreign investment; high population growth rates; and government mismanagement. There had been insufficient emphasis on human resources development, including health, education and vocational training. Governments with vision strove to do a better job of mobilizing human and natural resources and attempted to build the kind of social and political environment that would result from stronger institutions. Such Governments encouraged their population to channel its energies into productive activities, including domestic policies that did not constrain individual action, but instead provided freedom from political coercion or persecution and created a stable and open political and social environment.

61. The United States had devoted a significant portion of its sizable development aid budget to direct poverty alleviation programmes. The United

(Mr. Padilla, United States)

States Agency for International Development (USAID) was involved in projects to reduce poverty in such areas as health, education, nutrition, export promotion, infrastructure development, and support for democracy. On an international basis, the United States had worked effectively for the adoption of goals at the World Summit for Children and the World Conference on Education for All. On a country basis, it had helped individual countries achieve national objectives that related directly or indirectly to those internationally adopted goals.

62. USAID programmes had already made strides in improving the health of children and would help to reduce one of the most telling indicators of poverty, the infant mortality rate. In Africa, for example, where the United States had been focusing its efforts on 17 countries, the results to date were very gratifying: all 17 countries had achieved slightly lower rates than the rest of Africa. The United States was adjusting its strategies to new constraints that could threaten the progress already achieved, such as a new malaria strain that was resistant to affordable drugs, and the human immunodeficiency virus infection. And it had turned its attention to the capacity of countries to sustain their achievements by being creative in looking at better alternatives. USAID was committed to integrating women into its development activities. Women were the sole breadwinners of one out of every three households in the developing world. They played a primary role in family health, nutrition and education. Yet they received only 1 per cent of the world's income and owned less than 1 per cent of the world's property.

63. Some aspects of poverty could be addressed directly through sectoral programmes and resource transfers. But in general poverty must be seen as a cross-cutting concern to be addressed in the design of all programmes. The Second Committee must concentrate on practical measures. The World Development Report 1991 emphasized that individual countries had the basic responsibility to reduce poverty, by building appropriate structures and institutions.

64. Mr. ELIASHIV (Israel) said that his country fully supported the programme of action adopted at the Second United Nations Conference on the Least Developed Countries. If real progress was to be achieved, adequate national policies must be complemented by international multilateral support. Although the need for international cooperation was recognized by all, much more emphasis must be placed on programmes focused directly on the development of the periphery and adequate resources must be channeled to those programmes. That was the gist of a set of proposals known as the "Transitional Economy", that Israel had presented in various international forums. The proposals sought to break the vicious circle of poverty by improving productivity and quality of life in poor peripheral-traditional sectors in the societies and economies of the developing countries.

65. The "Transitional Economy" concentrated on the peripheral-rural sector, with emphasis on the least developed countries, and applied a gradual,

(Mr. Eliashiv, Israel)

relatively low-cost programme of improvements of a limited scope and in a limited number of fields in that sector. Its basic purpose was to promote organic growth in the rural sector, with the idea of moving on at a later stage to productive and mutually beneficial integration with modern sectors of the country.

66. Programmes for the promotion of the "Transitional Economy" would generally focus on five spheres of activity: agricultural productivity; off-farm rural job creation; rural social services and infrastructure; employment, housing and services in urban slums; and population control. The programmes' level of complexity was compatible with the current capabilities of development institutions and target populations. Furthermore, the programmes tried not to impose new patterns from above, but attempted to synthesize national policies with regional needs and desires, and they were sufficiently flexible to be modified as they evolved.

67. Thus, the principal goal of the "Transitional Economy" was to create a new bias in favour of the peripheral sector of the population, mainly in rural areas. Economic policy was based primarily on domestic consumption, with exports being regarded as a means of paying for essential imports only. The transformation of economic structures was thus based on the effects of agricultural diversification and intensification. Israel had used the same strategy to achieve its diversified economy and agricultural self-sufficiency by developing agriculture and human resources. It had also been applying the approach in numerous international cooperation programmes. Israel was not a large country and did not have large budgets at its disposal. It did, however, have a great deal of experience in rural development and agriculture under difficult conditions, and was willing to share its experience with others. Israel's approach could prove to be a crucial factor in the continuing endeavour to eradicate poverty in the developing countries.

68. Mr. GIRON (Colombia) said that his country had played a key role in the extremely complex negotiations leading to the adoption by consensus of General Assembly resolution 44/212, which established the collective responsibility of all countries in the struggle against poverty.

69. Colombia's national development plan for the period 1990-1994 was designed to reduce by 25 per cent the number of people unable to meet their own basic needs in terms of housing, education and health. The Colombian Government had decided to assign high priority to action in areas where the planned investment in a total of $6 billion would yield the most in terms of both growth and equity: human resources development (primary and secondary education, and primary and preventive health care), upgrading of infrastructure (water supply and housing), strengthening of scientific and technological capacity, and protection of the environment.

70. The Secretary-General's report showed that there was no direct link between the chief causes of poverty and the political regime or prevailing

(Mr. Giron, Colombia)

ideology in a given country. There was not a single country where national policy entirely lived up to expectations. Given different international economic conditions, it would no doubt be possible to reduce the number of poor people in the world by 150 million within 10 years. To achieve that objective, it would be necessary to increase the transfer of resources to the developing countries, as well as official development assistance for programmes focusing on education, nutrition, health and economic development for the poor. The adoption of measures for that purpose would be a demonstration of the developed countries' political will to cooperate in the endeavour to eradicate poverty.

71. The developing countries were aware that it was chiefly their responsibility to combat poverty, but they were also aware that they were unable to do so without assistance from the industrialized countries. Now that the East-West conflict had come to an end, and in view of the need to tackle the issue of comprehensive and sustainable development energetically, the time had come to set the North-South dialogue on a more realistic footing, to channel the resources released as a result of disarmament measures into the development effort, and to promote collective action with a view to consolidating social development.

72. The report of the Secretary-General on the work of the Organization stressed the threat that poverty represented to social and political stability, and to human rights and the environment. No collective security system would be truly viable until the problem of poverty was resolved. His delegation would therefore play an active part in the Group of 77 in preparing a draft resolution that would enable the international community and the United Nations to make progress in dealing with poverty in the developing countries. Poor people would not be the only ones to benefit if as a result of the efforts in question they could be successfully integrated into the development process, thus becoming engines for growth.

The meeting rose at 12.15 p.m.