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REPORT OF THE COMMITTEE OF THE WHOLE TO THE CONFERENCE

At its 9th meeting on 9 September, the Committee of the Whole decided by consensus to recommend to the Conference for adoption the following draft final document:

DRAFT FINAL DOCUMENT

Preamble

The States participating in the International Conference on the Relationship between Disarmament and Development, desirous of:

(a) Enhancing and strengthening the commitment of the international community to disarmament and development and giving impetus to renewed efforts in both these fields;

(b) Raising world consciousness that true and lasting peace and security in this interdependent world demands rapid progress in both disarmament and development;

(c) Directing global attention at a high political level on the implications of world-wide military spending against the sombre background of the present world economic situation;

(d) Looking at disarmament, development and security in their relationship in the context of the interdependence of nations, interrelationships among issues and mutuality of interests;

(e) Taking greater account of the relationship between disarmament and development in political decision-making;

(f) Furthering the international community's collective knowledge of the military and non-military threats to security;

adopt the following Final Document:

1. In the Charter of the United Nations, Member States have undertaken to promote the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources. The Member States also express in the Charter their determination to employ international machinery for the promotion of the economic and social advancement of all peoples. The United Nations has thus a central role to play for the promotion of both disarmament and development.

2. Disarmament and development are two of the most urgent challenges facing the world today. They constitute priority concerns of the international community in which all nations - developed and developing, big and small, nuclear and non-nuclear - have a common and equal stake. Disarmament and development are two pillars on which enduring international peace and security can be built.

3. The continuing arms race is absorbing far too great a proportion of the world's human, financial, natural and technological resources, placing a heavy burden on the economies of all countries and affecting the international flow of trade, finance and technology, in addition to hindering the process of confidence-building among States. The global military expenditures are in dramatic contrast to economic and social underdevelopment and to the misery and poverty afflicting more than two thirds of mankind. Thus, there is a commonality of interests in seeking security at lower levels of armaments and finding ways of reducing these expenditures.

4. The world can either continue to pursue the arms race with characteristic vigour or move consciously and with deliberate speed towards a more stable and balanced social and economic development within a more sustainable international economic and political order; it cannot do both.

5. Global interest in the relationship between disarmament and development is reflected in proposals by a politically and geographically broad spectrum of States since the early days of the United Nations. There is an increasing understanding of this relationship, in part due to the expert studies and reports prepared by the United Nations.

6. The contrast between the global military expenditures and the unmet socio-economic needs provides a compelling moral appeal for relating disarmament to development. There is also a growing recognition that both overarmament and underdevelopment constitute threats to international peace and security.

7. The convening under the aegis of the United Nations of this International Conference on the Relationship between Disarmament and Development is a landmark in the process of undertaking, at a political level, the multilateral consideration of the relationship between disarmament and development.

Relationship between disarmament and development in all its aspects and dimensions

8. While disarmament and development both strengthen international peace and security and promote prosperity, they are distinct processes. Each should be pursued vigorously regardless of the pace of progress in the other; one should not

be made a hostage to the other. Pursuit of development cannot wait for the release of resources from disarmament. Similarly, disarmament has its own imperative separate from the purpose of releasing resources for development.

9. However, disarmament and development have a close and multidimensional relationship. Each of them can have an impact at the national, regional and global level in such a way as to create an environment conducive to the promotion of the other.

10. The relationship between disarmament and development in part derives from the fact that the continuing global arms race and development compete for the same finite resources at both the national and international levels. The allocation of massive resources for armaments impedes the pursuit of development to its optimal level.

11. Considering the present resource constraints of both developed and developing countries, reduced world military spending could contribute significantly to development. Disarmament can assist the process of development not only by releasing additional resources but also by positively affecting the global economy. It can create conditions conducive to promoting equitable economic and technological co-operation and to pursuing the objectives of a new international economic order.

12. Real economic growth as well as just and equitable development, and particularly the elimination of poverty, are necessary for a secure and stable environment at the national, regional and international levels. They can reduce tensions and conflicts and the need for armament.

13. In the relationship between disarmament and development, security plays a crucial role. Progress in any of these three areas would have a positive effect on the others.

14. Security is an overriding priority for all nations. It is also fundamental for both disarmament and development. Security consists of not only military, but also political, economic, social, humanitarian and human rights and ecological aspects. Enhanced security can, on the one hand create conditions conducive to disarmament and, on the other provide the environment and confidence for the successful pursuit of development. The development process, by overcoming non-military threats to security and contributing to a more stable and sustainable international system, can enhance security and thereby promote arms reduction and disarmament. Disarmament would enhance security both directly and indirectly. A process of disarmament that provides for undiminished security at progressively lower levels of armaments could allow additional resources to be devoted to addressing non-military challenges to security, and thus result in enhanced overall security.

15. An effective implementation of the collective security provisions of the Charter of the United Nations would enhance international peace and security and thus, reduce the need of Member States to seek security by exercising their inherent right of individual or collective self-defence, also recognized by the

Charter. The judgement as to the level of arms and military expenditures essential for its security rests with each nation. However, the pursuit of national security regardless of its impact on the security of others can create overall international insecurity, thereby undermining the very security it aims at promoting. This is even more so in the context of the catastrophic consequences of a nuclear war.

16. It is widely accepted that the world is overarmed and that security should be sought at substantially lower levels of armaments. The continued arms race in all its dimensions, and its spreading into new areas, pose a growing threat to international peace and security and even to the very survival of mankind. Moreover, global military spending on nuclear and conventional arms threatens to stall the efforts aimed at reaching the goals of development so necessary to overcome non-military threats to peace and security.

17. The use or threat of use of force in international relations, external intervention, armed aggression, foreign occupation, colonial domination, policies of apartheid and all forms of racial discrimination, violation of territorial integrity, of national sovereignty, of the right to self-determination, and the encroachment of the right of all nations to pursue their economic and social development free from outside interference constitute threats to international peace and security. International security will be guaranteed in turn to the extent that peaceful and negotiated solutions to regional conflicts are promoted.

18. Recently, non-military threats to security have moved to the forefront of global concern. Underdevelopment and declining prospects for development, as well as mismanagement and waste of resources, constitute challenges to security. The degradation of the environment presents a threat to sustainable development. The world can hardly be regarded as secure so long as there is polarization of wealth and poverty at the national and international levels. Gross and systematic violations of human rights retard genuine socio-economic development and create tensions which contribute to instability. Mass poverty, illiteracy, disease, squalor and malnutrition afflicting a large proportion of the world's population often become the cause of social strain, tension and strife.

19. Growing interdependence among nations, interrelationship among global issues, mutuality of interests, collective approach responding to the needs of humanity as a whole and multilateralism provide the international framework within which the relationship between disarmament, development and security should be shaped.

Implications of the level and magnitude of the continuing military expenditures, in particular those of the nuclear-weapon States and other militarily important States, for the world economy and the international economic and social situation, particularly for developing countries

20. The current level of global military spending in pursuit of security interests represents a real increase of between four and five times since the end of the Second World War. It also reflects approximately 6 per cent of the world gross domestic product and has been estimated to be more than 20 times as large as all official development assistance to developing countries. During the 1980s, global

military expenditure has grown on an average at a faster rate than during the second half of the 1970s.

21. The bulk of global military spending remains concentrated among some developed countries that also carry out almost all the world's military research and development. It has been estimated that global expenditure on military research and development represents approximately one quarter of the world's expenditure on all research and development. During recent years, as weapons have become more sophisticated, the rate of increase in spending on military research and development has been higher than the general increase in military expenditures.

22. The military sector also consumes a significant proportion of world energy resources and non-energy minerals and diverts skilled human resources and industrial production, which could be utilized in other sectors. Moreover, the production and stockpiling of armaments, particularly of nuclear and chemical weapons, poses a significant threat to the environment.

23. While arms exports are dominated by a number of developed countries, the developing countries account for a major share of arms imports. The adverse development implications of such transfers outweigh immediate trade benefits to the suppliers and security gains to the recipients.

24. In contrast to the current level and trends in global military expenditure, the state of the world economy in the 1980s has been characterized by a slow-down in growth of demand and output compared with the preceding two decades, generally lower rates of inflation, difficulties in many countries in adapting to structural changes, a mounting stock of debt, high real interest rates, inadequate net flows of financial resources, shifts in exchange rates, high and increasing levels of protection, commodity prices depressed to their lowest level in 50 years, terms-of-trade losses sustained by commodity exporting countries, and a generally insecure economic environment in which millions of people still lack the basic conditions for a decent life.

25. The use of resources for military purposes amounts to a reduction of resources for the civilian sector. Military spending provides little basis for future industrial civilian production. Military goods are generally destroyed or soon used up. While there are some civilian by-products of military research and training there are better direct, non-military routes to follow.

26. The opportunity cost of military expenditures over the past 40 years has been and continues to be borne by both developed and developing countries, as there is a pressing need for additional resources for development in both groups of countries. In developing countries, it has been estimated that close to 1 billion people are below the poverty line, 780 million people are undernourished, 850 million are illiterate, 1.5 billion have no access to medical facilities, an equally large number are unemployed, and 1 billion people are inadequately housed. In developed countries, resources are required, inter alia, for meeting the priority needs of urban renewal, the restoration of some of the infrastructures, the reduction of unemployment, the protection of the environment, the further development of welfare systems and the development of non-conventional sources of

energy. The developing countries are doubly affected: (a) in proportion to the expenditure they incur themselves; and (b) because of the disturbing effect of military expenditure on the world economy.

27. The present world economic situation should also be seen in the context of the arms race. For certain countries the high deficits caused by military expenditures as well as the cumulative effect of subsequent rise in the interest rates have the effect of diverting substantial flows of capital away from development activities. In this sense, the whole world is affected by the arms race.

28. Moreover, military-related production tends to be capital-intensive, usually creating fewer jobs than would result if an equivalent amount of public funds had been spent on civil projects. Inefficiency associated with the non-competitive conditions of the military market-place has a negative effect throughout the economy, including productivity and cost, and on its competitive position in the international market.

29. Global military expenditure has an impact on the world economy through interdependence among nations and the interrelationship between the global macro-economic variables. Attempts at understanding the present world economic situation and attaining stable and sustainable growth need to take account of the current levels of military expenditures.

Ways and means of releasing additional resources through disarmament measures for development purposes, in particular in favour of developing countries

30. Apart from promoting international peace, security and co-operation, disarmament can improve the environment for the pursuit of development by:

(a) Releasing resources from the military to the civilian sector at the national level;

(b) Removing the distortions in the national and international economy induced by military expenditure;

(c) Creating favourable conditions for international economic, scientific and technological co-operation and for releasing resources for development at the regional and international levels, on both a bilateral and a multilateral basis.

31. Resources released as a result of disarmament measures should be devoted to the promotion of the well-being of all peoples, the improvement of the economic conditions of the developing countries and the bridging of the economic gap between developed and developing countries. These resources should be additional to those otherwise available for assistance to developing countries.

32. The release of additional resources for the civilian sector is in the interest of both industrialized and developing countries, as it would mean the stimulation of economic growth, trade and investment. Among developing countries, this could also mean additional resources to meet pressing socio-economic needs, while in the developed countries it could contribute to the achievement of the goals of social

welfare. However, working towards the release of resources through disarmament is not enough; an international development strategy is a vital stabilizing element in international relations.

33. The disarmament dividend may be obtained in a variety of forms. These could include trade expansion, technological transfers, the more efficient utilization of global resources, the more effective and dynamic international division of labour, the reduction of public debt and budgetary deficits, and increased flows of resources through development assistance, commercial and other private flows or transfers of resources to the developing countries.

34. Past experience has shown that conversion from military to civilian production need not present insurmountable problems.

Action programme

35. With a view:

- (a) To fostering an interrelated perspective on disarmament, development and security;
- (b) To promoting multilateralism as providing the international framework for shaping the relationship between disarmament, development and security based on interdependence among nations and mutuality of interests;
- (c) To strengthening the central role of the United Nations in the interrelated fields of disarmament and development:
 - (i) The States participating in the International Conference reaffirm their commitments in the fields of disarmament and development and reiterate their determination to adopt, both individually and collectively, appropriate measures to implement these commitments. These will include bilateral, regional and global initiatives for peaceful resolution of conflicts and disputes;
 - (ii) They also stress the importance of respect of the international humanitarian law applicable in armed conflicts. Respect of this law makes it easier to pave the way for a solution to conflicts, and hence ultimately to release resources for development;
 - (iii) They recognize the need to ensure an effective and mutually reinforcing relationship between disarmament and development and to give practical expression to it through specific measures at the national, regional and global levels;
 - (iv) They reaffirm the international commitment to allocate a portion of the resources released through disarmament, for purposes of socio-economic development, with a view to bridging the economic gap between developed and developing countries;

(v) In this connection, they will give further consideration:

- a. To the adoption of measures to reduce the level and magnitude of military expenditures which, in addition to being an approach to disarmament, would be a means of reallocating additional resources for social and economic development particularly for the developing countries;
- b. To the utilization of existing regional and international institutions for the reallocation of resources released through disarmament measures for socio-economic development, particularly in developing countries, taking due account of existing capabilities of the United Nations system;
- c. To according priority to the allocation, within the framework of the United Nations, of part of the resources, including human and technical resources, presently devoted to military purposes for emergency humanitarian relief operations and critical development problems, pending the achievement of genuine disarmament under effective international control;
- d. To the importance of greater openness, transparency and confidence among nations with a view to facilitating progress in both disarmament and development;

(vi) They will consider:

- a. Keeping under review issues related to a conversion of military industry to civilian production and undertaking studies and planning for this purpose;
- b. Undertaking studies to identify and publicize the benefits that could be derived from the reallocation of military resources;
- c. Making the results of experience in, and preparations for, solving the problems of conversion in their respective countries, available to other countries;

(vii) They agree:

- a. To continue to assess their political and security requirements and the level of their military spending, taking into account the need to keep these expenditures at the lowest possible level, and to keep the public informed on the subject;
- b. To assess the nature and volume of resources that may be released through arms limitation and disarmament measures and to consider including in future disarmament negotiations provisions to facilitate the release of such resources;

- c. To carry out regularly analyses of the economic and social consequences of their military spending and to inform their public and the United Nations about them;
 - d. To appeal to appropriate regional organizations and institutions to carry out, within their mandates as appropriate, analyses of the political, military and economic factors in their regions, with a view to encouraging regional measures of disarmament and development;
- (viii) They recognize that an informed public, including non-governmental organizations, has an invaluable role to play in helping to promote the objectives of disarmament and development and creating an awareness of the relationship between disarmament, development and security. They therefore agree to take appropriate measures to keep the public informed in this regard;
- (ix) They emphasize the need to strengthen the central role of the United Nations and its appropriate organs in the field of disarmament and development, in promoting an interrelated perspective of these issues within the overall objective of promoting international peace and security;
- a. The United Nations and the specialized agencies should give increased emphasis, in their disarmament-related public information and education activities, to the disarmament-development perspective;
 - b. They request the Secretary-General of the United Nations to intensify his efforts to foster and co-ordinate the incorporation of disarmament-development perspective in the activities of the United Nations system;
 - c. The United Nations should make greater efforts to promote collective knowledge of the non-military threats to international security;
 - d. An improved and comprehensive data base on global and national military expenditures would greatly facilitate the study and analysis of the impact of military expenditures on the world economy and the international economic system. To this end, the broadest possible number of States should provide objective information on their military budgets to the United Nations according to agreed and comparable definitions of the specific components of these budgets. In this connection, the work under way in the United Nations for a systematic examination of various problems of defining, reporting and comparing military budget data should be intensified;
 - e. The United Nations should continue to undertake, on a regular basis, analysis of the impact of global military expenditures on the world economy and the international economic system. Consideration should be given to the idea of establishing a mechanism within the existing framework of the United Nations to monitor the trends in military spending;

- f. The United Nations should facilitate an international exchange of views and experience in the field of conversion;
 - g. The General Assembly, in receiving the report of this Conference, is requested to keep under periodic review the relationship between disarmament and development in the light of this action programme, including its consideration at the forthcoming third special session devoted to disarmament.
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