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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD
ON THE SECOND PART OF ITS THIRTY-NINTH SESSION

Held at the Palais des Nations, Geneva,
from 15 to 26 March 1993

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Addendum

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Chapter I

FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE
CONFERENCE AT ITS EIGHTH SESSION: POLICIES FOR
HUMAN RESOURCE DEVELOPMENT, WITH PARTICULAR
REFERENCE TO TECHNICAL COOPERATION ACTIVITIES
FOR TRADE AND DEVELOPMENT

(Agenda item 2)

1. For its consideration of this agenda item, the Board had before it a report by the UNCTAD secretariat entitled "The development of human resources for trade" (TD/B/39(2)/14 and Corr.1).

2. In his introductory statement, the Deputy to the Secretary-General of UNCTAD recalled that at UNCTAD VIII member States had recognized the importance of human resources development policies to enhance the participation of developing countries and countries in transition in the world economy. The quality of human resources was an essential factor of competitiveness in the changing international environment, and he emphasized the linkages between human resources development, economic and technological transformation, and the competitive advantages of nations. Effective human resources development policies were important, but most developing countries faced difficulties in mobilizing resources to that effect. International cooperation could contribute to strengthening the human capital of developing countries. Sustained capacity-building and cooperation between Governments, training institutions and business communities were desirable objectives of international cooperation strategies for trade-related training. Finally, he said that the secretariat attached importance to human resources development in the context of technical cooperation, and outlined the three principal training approaches already implemented through UNCTAD's programmes:

(1) seminars and round-tables on current policy issues; (2) training events related to specific UNCTAD programmes (e.g., GSP, trade efficiency, debt management, multi-modal transport); and (3) comprehensive and structured training programmes in the areas of maritime transport (TRAINMAR) and international trade (TRAINFORTRADE, in cooperation with ITC).

3. The representative of Austria discerned a widespread consensus that human capital was the most important form of capital and that education was an important factor in promoting economic growth. He stressed the importance of particular conditions, such as democracy, human rights, and the rule of law, in enabling the successful development of human resources as a factor in

economic growth, in addition to the need to consider the gender-specific implications of human resources development programmes. He commended UNCTAD's very useful role in these activities in trade and related areas and recalled that Austria had actively contributed to the seminars on the Generalized System of Preferences. Austria supported the priority given to strengthening local training capacities and developing local training structures in developing countries. Transferring expertise to local institutions should be pursued and learning should always be linked to the actual working and living conditions of trainees.

4. The representative of Argentina noted the progress achieved by UNCTAD, in nearly 30 years of its existence, towards the recognition of critical factors of competitiveness and economic success, particularly since the emergence of significant changes on the international economic scene and the abandonment of certain paradigms. He expressed full support for the technical cooperation activities of ITC and UNCTAD, stressing the importance of filling the directorship of the former, and encouraged the development of information networks that would serve as advance warning systems regarding shifts in trading practices and regulations that could give rise to conflicts in the international economy.

5. The representative of Denmark, speaking on behalf of the European Community and its member States, commended the secretariat for the brief and precise documentation on this item which had been available in good time. Human resources development was a central element of the development process, both for public administration and the productive private sector, and there were high returns to investment in this area. The democratic basis of the economy, the respect for human rights and the accountability of Governments were also important elements in this process. Human resources development was critical for meeting such challenges as technological changes, the emphasis on sustainable development, international competition, and the privatization trend. However, human resources development was a multifaceted objective, and UNCTAD could not, and should not, address all aspects of this issue. UNCTAD should continue to focus its human resources development activities and to avoid duplicating the work of other international organizations and to ensure that it operated in line with its general mandate. Supporting developing countries in their efforts to develop human resources remained a priority. In general, he expressed satisfaction with UNCTAD's current activities in the field of human resources development, and noted the importance and relevance

of training activities on the GSP, multimodal transport, ASYCUDA, as well as trade efficiency, TRAINMAR, and TRAINFORTRADE. The two latter programmes were particularly useful in view of their multiplier effects and economies of scale. He encouraged UNCTAD to pursue the development of these programmes, taking into consideration a number of recommendations. He suggested, for example, an increased emphasis on the development of human resources in the private sector although he recognized that training of civil servants was recognized as an important factor of trade promotion. He urged UNCTAD to act as a catalyst for cooperation between the private sector, training institutions and government administrations. He also encouraged the consideration of the gender issue to promote the participation of women in the human resources development programmes of the organization, and requested that the Board be provided with information of the actual budget allocations to human resources development, particularly TRAINFORTRADE and TRAINMAR. Finally, he described the Community's involvement in human resources development activities, in particular, through the Centre for the Development of Industry (CDI), which had implemented some 300 technical assistance projects in the ACP group of countries in 1991.

6. The spokesman for the Asian Group (Sri Lanka) distinguished two categories of challenges facing developing countries in the sphere of international trade in the 1990s: traditional difficulties were likely to remain in market access and the lack of know-how and resources, in addition to a number of new issues, stemming from the recent changes in the global economy, technological changes, trade in services, trade policy reforms and environmental concerns. These changes seemed to marginalize developing countries from the global trading system. In this context, the Asian Group saw a need to strengthen international and bilateral cooperation in human resources development, and to coordinate international policies with human resources policies at the national level, with an emphasis on local capacity building.

7. Recognizing human resources development as one of the most important factors of export enhancement and economic development, the representative of Japan recalled that his country, over the years, had been assisting developing countries in trade-related areas. Japan appreciated UNCTAD's efforts to contribute to human resources development by utilizing advanced technologies, and encouraged UNCTAD to continue to coordinate such efforts with other international organizations. He endorsed the objective of strengthening the

local training capacity of developing countries and regarded the training of trainers and cooperation among training institutions as a vital component of the organization's approach to human resources development.

8. Describing human resources development as a strategic factor of competitiveness in international trade, the representative of Bangladesh stressed the need of developing countries to strengthen their human capacities in order to implement appropriate trade policies in a context of structural transformation. There was a risk, however, of developing training programmes that did not adequately meet the changing conditions, in particular because of their lack of practicality. The success of training programmes was closely linked to the priority given to them in the framework of national policies. It was important to adopt a regional and cooperative approach to human resources development, and he was in favour of any international assistance in this respect. Bangladesh, for its part, had been pursuing a multisectoral training policy. Linkages would be established between industries, the private sector and NGOs.

9. In the expectation that UNCTAD would continue to make a substantial contribution to human resources development in developing countries, he recommended that: (i) priority be given to training capacities at the national level; (ii) human resources development policy be coordinated with the overall national development strategy; (iii) an assessment of the impact of human resources development be built into programmes; (iv) all necessary international cooperation be extended to countries in need of training programmes; (v) studies on manpower export be conducted by UNCTAD; and (vi) the special problems faced by the least developed countries in the area of human resources be given a differential treatment.

10. The representative of Nepal, associating himself with the statement by the spokesman for the Asian Group, recalled the particular problems faced by the least developed, landlocked and island developing countries in several trade-related areas, such as that of the high costs of transit trade, and said that this group of countries would welcome specific initiatives that might address the issue of human resources development as a factor of trade-related progress.

11. The representative of the United States of America stated that the primary responsibility for human resources development lay with national authorities and he encouraged developing countries to pursue efforts to enhance their human resources in order to take advantage of the changing

international trade environment. At the same time, the donor community must continue to support these efforts in order to meet the need for a cadre of "trade-trained" people. For its part, the United States Government had already contributed to strengthening trade expertise in developing countries through such programmes as the Entrepreneurs International Program and the Special American Business Internship Training Program. He noted that there was a degree of consistency between UNCTAD's trade-related training activities and United States activities in the field of trade-related human resources development. To achieve cost-effectiveness through the networking approach, efficient use should be made of existing human resources development institutions and facilities in view of the high cost of establishing new training centres in the beneficiary countries. Moreover, standard systems of information collection would make possible effective dissemination of data.

12. The representative of India drew attention to the implications of the world's increasing interdependence for the degree of participation of most developing countries in world trade. He stressed the importance of human capital formation for these countries and questioned the success of past international support to national capacity building in developing countries. The Cartagena commitment encouraged cooperation between business communities and scientific institutions in developed and developing countries, and he urged UNCTAD to take action to enhance, through such cooperation, the productivity and efficiency of human capital in developing countries. He also suggested that research and training institutions in developing countries be established or encouraged with a view to facilitating joint education programmes and exchanges of information for the benefit of these countries.

13. The representative of the Islamic Republic of Iran said that, since people were the ultimate beneficiaries of development, the promotion of training enabled societies to achieve democratization and better coordination among the economic sectors. Within the framework of technological changes and structural reforms, a coordinated approach that combined theoretical and practical knowledge was necessary. In this coordination of institutions, expanded information centres and trade databases played a vital role. While modern training methods were likely to enhance efficiency and competitiveness in the international economy, their development might be hindered by shortages of finance and absorption difficulties. He therefore recommended a survey of the causes of failure in adopting modern training techniques in developing countries. In his view, chronic issue of "brain drain" was one of the most

regrettable consequences of such failure. He encouraged UNCTAD to conduct a survey on the possible forms of partnership in which the global community could cooperate in the above endeavours.

14. The representative of China noted a growing awareness of the urgency of human resources development in trade and related areas. The shortage of professional skills was one of the main obstacles to trade development in China in the present context of its outward orientation. His country was therefore interested in benefiting from UNCTAD's cooperation in different trade-related training activities such as TRAINMAR and TRAINFORTRADE. He also urged UNCTAD to maintain close cooperation with other organizations such as UNDP, GATT and ITC with a view to making the most effective use of the limited resources available to developing countries for such assistance. Finally, he recommended that human resources development programmes be enhanced in terms of scope and depth, that they consider the particular issues of the least-developed countries, and that the areas of finance, technology and personnel training be given attention.

15. The representative of Ethiopia endorsed the views of previous speakers regarding the importance of trade-related human resources development, and specifically stressed the necessity of adopting initiatives in favour of women, who were essential actors in the development process. She then outlined the main measures taken by her Government over the last two years to create an environment favourable to human resources development and economic progress.

16. The representative of Poland said that developing countries and countries in transition were now not able to take full advantage of the trading opportunities that were emerging as a result of technological development or to make use of important linkages between trade, technology, investment and services. He stressed the importance of appropriate trade policies and investment in human capital and management skills as the most important conditions for the realization of competitive advantages of developing countries. As well as international efforts in this respect, developing countries should adopt improved policies to make them fully responsive to the needs of their people. He acknowledged the value of the technical cooperation activities in trade-related training that had benefited Poland over the years - such as those provided by GATT, ITC, UNIDO, the World Bank and IMF - in the form of courses, skill and management programmes and fellowship programmes. The development of information networks, library facilities, and trade

databases in developing countries was essential to the creation of a mass of informed opinion on trade activities. Poland was also participating actively in the work of international organizations in assisting the developing countries to devise schemes for upgrading technological skills and managerial capabilities, and in helping them to acquire the knowledge essential to the promotion of trade and business.

[To be completed as appropriate]
