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ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Note by the Secretary-General

1. A number of resolutions, recommendations and instructions concerning economic development have been adopted during 1948 by the General Assembly, the Economic and Social Council, the Economic and Employment Commission and its Sub-Commission on Economic Development.* These represent somewhat different approaches to the problem of economic development and the Secretariat is confronted with the task of determining its programme of work in a manner which would meet the expressed needs of the several bodies which it serves and which would permit the most effective use of the available staff.
2. The Assembly in resolution 198(III) requested the Council to give "further and urgent consideration to the whole problem of the economic development of under-developed countries in all its aspects" so that the Council may report and make recommendations to the Fourth Session of the Assembly. This report will presumably have to be adopted by the Council at its ninth session in the summer of 1949. However, the seventh session of the Council, in resolution 139 B(VII), requested the Economic and Employment Commission "to make recommendations which bear more explicitly on the problem of economic development" and suggested that it make further studies of economic development designed to "define the central problems of economic development and to make detailed recommendations for dealing with those problems". The Commission will have this request before it when it meets in May 1949 and would be expected to report to the ninth session of the Council.

* ~~Assembly resolution 198(III), Economic and Social Council resolution 139 B(VII), and EVID~~ of the Report of the third session of the Economic and Employment Commission (document E/790), Report of the second session of the Sub-Commission on Economic Development in particular Parts V and VII. (document E/CN.1/61)

3. The Economic and Employment Commission's definitions of the "central problems" and its recommendations might enable the ninth session of the Council to meet the Assembly's request for the consideration of the "whole problem of economic development ... in all its aspects". However, the third session of the Economic and Employment Commission, which preceded the seventh session of the Council, having examined the report of the Sub-Commission on Economic Development dealing with purposes and methods of economic development, with international action in the field of economic development and with short-term problems of economic development, expressed the view that "the Sub-Commission, having during its first session considered the general principles, problems and methods of economic development, properly decided to devote more time at its future sessions to more specific problems". The Commission further considered "that one of the fields of activity which requires urgent consideration is that concerning the mobilization of the under-developed countries' domestic resources, human, natural, financial and technological, and that studies in this field should be undertaken forthwith so that the technical assistance which may be rendered at the request of member countries by the United Nations and its specialized agencies toward the mobilization of these resources, can be utilized most effectively".

4. The Sub-Commission on Economic Development, in accordance with the above recommendations, as well as with its own plans, proceeded to devote its second session almost entirely to the study of technical assistance. Part V of its report (E/CN.1/61) contains a series of recommendations concerning this matter, especially concerning the fields in which action is required and the policies under which such action might be carried out. This report has not yet been studied either by the Commission or by the Economic and Social Council. However, being a public document and available to all governments, this report has already had important effects. The governments of Burma, Chile, Egypt and Peru presented a resolution to the first part of the Third Session of the General Assembly similar in a number of respects, to the Sub-Commission's recommendations. The General Assembly adopted the resolution with some amendments and appropriated \$288,000 for the purpose of providing technical assistance for economic development to Member Governments.

5. In accordance with its own expressed desires as well as in accordance with the Commission's views, the Sub-Commission on Economic Development is planning to devote its forthcoming third session mainly to the financial aspects of economic development and the secretariats of the United Nations and of several specialized agencies are preparing a series of studies which would help the Sub-Commission in its task.

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6. The above paragraphs show that whereas the Assembly in its resolution directs its attention to "the whole problem in all its aspects" and the Council in its resolution is concerned with the definition of "central problems", the Commission and its Sub-Commission on Economic Development will be devoting their full attention to intensive studies of specific aspects of the whole problem. Economic development, being a continuing process, may not be susceptible to description and study in "all its aspects". It is doubtful whether "central problems" have universal validity since they do differ from place to place, or in a given place from time to time. It may, therefore, prove impossible ever to compile a definitive list of central problems.

7. As indicated above, some general consideration has already been given by the Economic and Employment Commission and its Sub-Commission on Economic Development to what appear to be some of the central problems of economic development. Continued consideration of specific central problems is contemplated by these bodies in the light of studies which are in progress and in the light of reports from the specialized agencies.

8. The specialized agencies also have had to select, within their respective fields, those problems which they consider in relation to economic development to be of the highest priority and which they regard as "central". For example, the World Health Organization regards malaria as a basic obstacle to economic development and therefore deserving of its primary attention; the Food and Agriculture Organization considers the provision of agricultural requisites and technical assistance designed to improve the efficiency of food production and food processing and distribution as crucial in the field of economic development and therefore as deserving its primary attention. Similarly, the International Labour Organization places high on its list in connection with economic development, questions of vocational training and guidance as a prerequisite to appropriate utilization of manpower. The United Nations Educational, Scientific and Cultural Organization views fundamental education and scientific training as basic problems of economic development. The last report of the International Bank for Reconstruction and Development discusses a whole series of problems which may be regarded as "central" in connection with economic development such as the lack of capital, the shortage of technical and managerial personnel, the absence of appropriate fiscal and monetary policies, the inadequacy of financial mechanism, the need for power, transportation and other basic facilities, and so on.

9. It is plain that the above problems are "central" when viewed from a particular technical angle. Most of the problems tie in with each other
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and often cannot, and should not, be considered as entirely independent. In fact it is the interlocking aspects of the several problems which provide the grounds for international action, including joint action by the specialized agencies and the United Nations organization. For example, technical and financial assistance through the United Nations and the specialized agencies could and should be combined to achieve the most useful results in the field of economic development by increasing the impact of available international assistance on the domestic resources of under-developed countries.

10. The Secretary-General therefore submits for the Council's consideration the view that it may be more fruitful in the long run to encourage intensive studies of specific aspects of economic development, especially of what appear to be obstacles to the economic development of under-developed countries, so that recommendations may be formulated which are designed to overcome those obstacles. In the light of the present note, the Council might wish to review its resolution 139 B(VII) and concur in existing arrangements designed to place before the Council, from time to time, recommendations concerning specific problems of economic development. The Council might then regard its own report to the Fourth Session of the General Assembly concerning these matters as in the nature of an interim report covering what appear to be the most urgent problems of economic development, together with such recommendations as it may then be feasible to make concerning constructive action to be taken. The Secretary-General considers that the above plan of activities would ensure the mutual reinforcement of the efforts of the several bodies concerned, including those of the Secretariat, and would contribute toward the effective use of the limited forces at the disposal of the United Nations and of the specialized agencies.
