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COLLECTIVE ECONOMIC SECURITY: PRELIMINARY CONSIDERATION OF THE  
CONCEPT, ITS SCOPE AND POTENTIAL PRACTICAL IMPLICATIONS

Note by the Secretary-General

Introduction

The fact that the Economic and Social Council is seized of a proposal to give preliminary consideration to the concept, scope and potential practical implications of collective economic security is a telling indication of the evolution of international relations. For, not unlike political security, which developed through progressive efforts towards general peace and order in pursuance of a common determination to limit the use of force, economic security becomes an essential consequence of the need to ensure that economic and social co-operation remains in motion, that it evolves in a rational and equitable manner, that it contributes to the creation of a better world order and that it facilitates the individual well-being of the citizens of Member States.

It should be kept in mind that this concept stems from the very Purposes and Principles of the Charter and seeks to synthesize, in a comprehensive formulation, the accumulated experience of the United Nations and of parliamentary diplomacy developed therein. The world community has felt the need for ways and means of achieving a certain degree of economic security, and has given practical meaning to this concept since the very beginning of international relations.

For instance, the development of commerce, perhaps the oldest form of international intercourse, brought about the need to evolve the principle of most-favoured-nation treatment, both to foster trade expansion and to correct problems of preference, discrimination and unfair competition, which unavoidably arise in multilateral trade arrangements. The most-favoured-nation principle, consecrated in modern times in GATT, had to be further refined after the first session of UNCTAD - to incorporate a new notion of reciprocity which would take account of the special conditions and circumstances of the developing countries. The needs of shipping led to the adoption of international standards for navigation

and safety at sea, and in inland transport to the establishment of régimes and procedures of administration for international rivers and canals. In recent years, the United Nations has legislated in respect of the rights of land-locked countries, and various agencies have adopted a number of other "special help" schemes in their respective fields. Monetary and financial co-operation includes arrangements to ensure international balance-of-payments equilibrium and for compensatory financing, which undoubtedly go beyond traditional approaches to international co-operation in those fields. The same applies to international commodity agreements in the field of trade co-operation. The FAO is currently considering a proposal which visualizes that all major consuming countries, including developing countries, should participate in the elaboration of an acceptable concept of "minimum world food security". <sup>1/</sup> The new emphasis given to the more vulnerable sectors of the world community - the hard core of least developed countries, as well as the groups living under the poverty line in most developing countries - attests to the concern of the world community that the benefits of economic co-operation should be shared on a balanced and fair basis - and the adoption of special measures in their favour would reflect a different approach to international policy. The concepts of negotiation, of decision-making, of mutual concessions, of the granting of reciprocal benefits, of convergent measures, have taken on new and evolving dimensions which correspond to changed notions of the aims and content of economic co-operation. And significant progress has been made in the development of standards and codes of behaviour in such fields as civil aviation, public health, intellectual property, labour conditions, nuclear energy and currency management.

Hence, it could indeed be stated that, simply described as "modern methods" or "extensions" of international co-operation, there are numerous instances of multilateral mechanisms and activities that could properly fall within the meaning of collective security.

The main purpose of the proposal before the Council, therefore, appears to be to systematize and gradually institutionalize the applications of actions by the world community designed to ensure collective economic security. That it should be discussed, in the first instance, within the United Nations is clear evidence that the Charter constitutes the logical framework for any effort of conceptualization in this context, not only because economic security and political security are inextricably linked - and Article 65 confirms that such a link was foreseen by the framers of the Charter - <sup>2/</sup> but also because economic security must rest upon the same basic principles that have guided multilateral relations since the inception of the Organization. That the proposal should be considered at this juncture is

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<sup>1/</sup> E/5050 and Add.1.

<sup>2/</sup> More recently the General Assembly has also established a link between disarmament and development, which is set out, inter alia, in paragraph (5) of the Preamble of the International Development Strategy. For an examination of the implications of such a link, see the report entitled Disarmament and Development (United Nations publication, Sales No. E.73.IX..).

evidence that the International Development Strategy, by virtue of its very nature, will open up a broad range of possibilities for the further evolution of collective economic security. For, an effective implementation of the Strategy will necessarily call for improved techniques of crisis management as well as better planning and programming procedures, and may similarly lead to the gradual development of uniform norms and codes of conduct in many areas of international concern.

### The meaning and purpose of collective economic security

It would not serve a useful purpose to attempt, at this stage, a precise definition of the concept of collective economic security. Such a definition will gradually emerge as agreement is reached on the various situations and measures envisaged within this context. It appears necessary, therefore, to try to set out a broad outline of the purposes that it should serve, and of the possible means of achieving practical results.

#### 1. The "assessment" function

One of the principal purposes of collective economic security should be to anticipate those situations which call for measures of international co-operation. In this context, procedures and mechanisms ought to be developed for the identification of gaps, overlaps, imbalances and contradictions which might be corrected, both to ensure the effectiveness of multilateral programmes and to prevent crises and emergencies. Economic security would thus constitute not only an important tool for planning but also a mechanism which would facilitate the achievement of the proper degree of integration - and thus coherence - in the implementation of interdisciplinary programmes. It would also facilitate the mobilization of the political will that may be required to correct specific problems of international concern, and to adopt anticipatory measures designed to arrest emergency situations before they develop into major crises. It may also assist in the prevention of political tensions and in the timely adoption of humanitarian measures. In the context of natural and man-made disasters, it would facilitate the development of a coherent policy of fund-raising and of effective programmes to improve monitoring, and stimulate action as well as research to avoid catastrophes or minimize their effects.

The concept of monitoring is quite developed in many technical fields, but within the meaning of economic security it would also acquire an additional dimension in that it would anticipate certain imbalances and inequities that often occur in the implementation of international measures and programmes.

The assessment function, if properly developed and used, should indeed enable the world community to achieve something that is increasingly being accepted as an important ingredient of international co-operation: the need constantly to look at the future. For, inasmuch as development is one of the greatest challenges of our age, it is essential to anticipate the characteristics of the problems that it will involve, and thus attempt to define the means, the speed and the cost of the

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solutions that may be required. It is only with vision and foresight that it will be possible to create a world order which ensures peace, stability and prosperity for all, and it is therefore essential to anticipate, with a reasonable degree of accuracy, the factors that will have to be taken into account in the formulation of effective programmes and in the prevention of crises. It may be worth stressing, in this context, that economic security should be essentially dynamic because its aim should be to ensure that international co-operation responds at all times to changing conditions, and to new circumstances and requirements. 3/

## 2. The "emergency" function

Under this heading, the purpose of collective economic security should be to enable the world community to face emergencies promptly and effectively - when it has not been possible to prevent them. A distinction ought to be made between (a) natural and man-made disasters and (b) other situations which call for measures of multilateral co-operation.

In connexion with (a) the United Nations has set up administrative arrangements to improve co-operation and co-ordination of efforts designed to deal with such situations. But there is considerable room for improvement and for the formulation of more efficacious measures to solve the whole range of problems that arise in such cases.

In connexion with (b), inasmuch as machinery and procedures for the management of crises do exist, the main objective should be, first, gradually to improve such mechanisms and broaden their scope, and, secondly, to mobilize political will and public opinion in support of such endeavours. Thus, in the case of a crisis or of an emergency, it would be necessary to enable the world community to be promptly informed of the magnitude of the problem, of its characteristics and implications and, in the light of such basic facts, to entrust the organizations concerned with the responsibility of adopting such short- and long-term measures as may be necessary. It would also be necessary to review periodically the results of such measures, on the basis of reports by the competent organizations.

An integral part of this function would be the further development of procedures for the avoidance and settlement of disputes. Again, a beginning has been made within the context of existing agreements and agencies. In the field of trade, and in others, effective use has been made to that end of the concept of

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3/ Mention should be made in this regard of the initiative of UNITAR to establish a Commission on the Future. The Institute is currently engaged, in this context, in experimental activities in four areas, namely: problems of growth and its limitations; the impact of new communications and information technology; problems of alienation; and participation and group demands and implications of bio-medical advances.

international consultation. <sup>4/</sup> But inasmuch as history shows that the gradual extension of multilateral activities has unfortunately brought about increased possibilities of conflict, it will be necessary to evolve improved principles and procedures to avoid such conflicts and to minimize their consequences. In cases of unilateral actions, it has been increasingly acknowledged that the community as a whole has an obligation to involve itself in the solution of the situation, and in the efforts to arrest the consequences thereof. For instance, the report of the Security Council special mission established under resolution 326 (1973) <sup>5/</sup> contains an assessment, conducted under the terms of resolution 327 (1973), of the needs of Zambia in maintaining alternative systems of road, rail, air and sea communications for the normal flow of traffic.

### 3. The "equity" function

In this context, the main objective of collective economic security would be the balanced and equitable implementation of international co-operation, so that it reaches all countries and all levels of society. It also acquires a "social security" meaning which is increasingly finding its way at the international level and which, in a spirit of human solidarity, involves the gradual incorporation of welfare motivations and objectives in multilateral co-operation.

It would be necessary to build upon the outstanding contributions made by the United Nations to the formulation of principles of international economic relations based upon the differences in levels of economic growth and social development that obtain among Member States. It may be recalled, for instance, that the General Assembly, soon after the inception of the Organization, launched programmes of technical assistance to support the self-help efforts of Member countries, which constituted a formal recognition of the existence of structural inequalities within the international community. Revolutionary changes in the whole concept of co-operation and international relations have subsequently taken place in many respects - such as those, mentioned above, relating to the notion of reciprocity, of mutual rights and obligations etc. More recently, the necessity to formulate special measures in favour of the least developed among the developing countries, and solutions to situations of mass poverty, have received increasing attention and support, as further manifestations of a determination to secure greater prosperity and greater happiness for all mankind. The underlying rationale of all these endeavours is that, within the context of many areas of international economic co-operation, equal treatment is equitable only among equals.

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<sup>4/</sup> See A Survey of Treaty Provisions for the Pacific Settlement of International Disputes 1949-1962, (United Nations publication, Sales No. 66.V.5), particularly chapter V, Multilateral agreements concerning economic matters, and chapter VI, International commodity agreements.

<sup>5/</sup> See S/10896 and Add.1.



Under this heading it would be important to accelerate the efforts, already under way, to re-examine the objectives of development, and to revise the role of many forms of co-operation - including, perhaps, access to markets, transfers of technology, transfers of capital in their various forms, etc. In this context, the dynamic character of economic security again acquires special significance in that it facilitates a continuing renegotiation of goals and targets of international co-operation, and of the policy measures required to attain them.

#### 4. The "regulation" function

Increasing interdependence among States has brought about a growing need for the development of substantive rules on matters of vital concern to the evolution of the world community. This is part of the history of civilization itself and arises out of common needs and mutual consent. Economic security will gradually open up new and larger areas calling for codes of behaviour formulated in conformity with the requirements of more and more advanced societies. The progressive development and harmonization of law, and the elaboration of standards in technical fields, will hence be a part of the practical results achieved through increased collective security for economic co-operation.

The International Law Commission has played, and will continue to play, a central role in this respect, and in recent years other bodies, within the agencies and in the United Nations itself, have extended efforts in this context to increasingly specific questions - particularly in the labour, meteorological, trade, investments, shipping, telecommunications, civil aviation, ecological and other fields. Another subject on which international attention has been focused is that of the activities of multinational corporations. It will be necessary to go further, particularly to ensure the effective accomplishment of the other purposes of collective security - the "assessment" function, the "equity" function and the "emergency" function. It will be necessary to establish that, in each case, there is broad agreement on the need for such standards and norms of behaviour, and that the issue should be the object of international regulation, all implications thereof having been duly elucidated with a view to safeguarding and harmonizing national interests and those of the international community as a whole. New approaches to regulation-making will need to be evolved to take account of the fact that current problems of economic co-operation require expeditious and flexible solutions, subject to continuous up-dating and amendment, to meet rapidly changing situations and scientific-technological progress. The special needs and circumstances of developing countries must also be fully taken into account. The attempts being made to formulate a charter of economic rights and duties of States is a valuable effort in this context.

#### Institutional arrangements

The gradual development of the concept of collective economic security would necessitate certain adjustments in the machinery and procedures for international economic co-operation. The following would appear, at this stage, to be the most obvious institutional arrangements required to this end:

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(a) The adaptation of the modus operandi of the various bodies of the United Nations system. In particular, it would be important to ensure that all agencies and organizations are increasingly prepared to perform the functions envisaged within the concept of collective security. A number of changes would be needed, in particular, in the operation of the Economic and Social Council, and attention should be given in this context to the role of the Council under Articles 65 and 66 of the Charter. Consideration would have to be given to changes in the pattern of meetings, in agenda and proceedings, and in the structure of subsidiary organs. Appropriate arrangements should be formulated to enable the Council to meet at short notice in situations of emergency;

(b) The implementation of the review and appraisal exercises in such a way as to make them forceful processes of negotiation leading to increased and more dynamic international co-operation;

(c) The functioning of the International Law Commission - and other similar bodies such as the United Nations Commission on International Trade Law (UNCITRAL) - should be reviewed so as to enable them to make further progress in the development, harmonization and codification of international law and in the elaboration of draft regulations, in line with requests from the Council and from other governing bodies of the system. Some of the organizations could themselves make appropriate institutional arrangements to this end, according to their special technical needs. The fields which have been mentioned in various forums as lending themselves to early action in this context are the environment, the development and use of natural resources, international trade, the transfer of technology and the operation of multinational corporations;

(d) The Economic and Social Council and the General Assembly should develop procedures for more adequately reviewing the programmes of the organizations and organs within the United Nations system, with a view to achieving further compatibility of activities and ensuring that they are mutually supporting and designed and organized to achieve maximum effectiveness. Appropriate use should be made in this respect of improved ACC procedures, and it would be important to make full use of the new discipline of programme budgeting and medium-term planning - and perhaps move towards joint programming in certain areas. Existing procedures and practices of reporting and documentation would have to be reviewed;

(e) It would similarly be important to define the role of the Secretariat so that it might facilitate the performance by the Council and other organs concerned of the various functions which fall within the meaning of collective security. It might be possible, in this context, to develop procedures similar to those envisaged under Article 99 of the Charter to enable the Secretary-General to bring to the attention of the Economic and Social Council matters requiring its consideration and action. It may be noted that procedures already exist which enable the executive heads of certain agencies, as well as the Secretary-General of UNCTAD and the Executive Director of the United Nations Environment Programme (UNEP), to arrange intergovernmental consultations, formal and informal, to consider on an urgent basis specific problems of multilateral concern.

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