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**Second Committee**

**Summary record of the 4th meeting**

Held at Headquarters, New York, on Wednesday, 6 October 1999, at 3 p.m.

*Chairman:* Mr. Olhaye ..... (Djibouti)

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*The meeting was called to order at 3.10 p.m.*

### **General debate** *(continued)*

1. **Mr. Chowdhury** (Bangladesh) said that globalization had increased the vulnerability of developing countries in many ways. For example, trade liberalization had reduced the capacity of Governments to raise revenues from taxation of imports, resulting in significant loss of income. In most developing countries, particularly the least developed ones, no increase in production or trade had occurred to counterbalance that loss. Financial liberalization associated with globalization had tied developing economies to the global capital market, putting them at the mercy of unrestrained capital movement. A dramatic reversal of economic flows had occurred in many countries in 1997 and 1998, prompting everyone to weigh the risks of globalization against its benefits. In that regard, he urged developed countries — the major beneficiaries of globalization — to assist developing countries in their efforts to correct the destabilizing effects of globalization. Referring to the preparations for the high-level intergovernmental event for the year 2001, he welcomed the involvement of the International Monetary Fund (IMF) and the World Bank and said that the third Ministerial Conference of the World Trade Organization (WTO), which would launch a new round of negotiations and establish the WTO work programme, would help to define the trade and development agenda for the new millennium. The deliberations of the Second Committee should give a strong signal as to what was expected from that meeting.

2. The developing countries had opened up their markets but did not get meaningful reciprocal treatment. They needed access to the global markets of products of interest to them, capacity for diversification of their product base and stable commodity prices. The external trade situation of the least developed countries should be particularly borne in mind in that regard. They had both low market access and high supply-side constraints. Tariff escalation, where higher tariffs were applied to processed goods, was also a barrier to their ability to increase output in the manufacturing sector. In addition, non-tariff barriers in the form of quotas, voluntary export restraints and so-called anti-dumping measures further impeded access of new products that the least developed countries could produce. The outcome of the third Ministerial Conference of WTO should be open-market access to all products from the least developed countries, without any exception.

3. While he welcomed the initiative of the Group of Eight in Cologne to write off \$15 billion of the poorest countries' debt and the addition of a few more countries to the list of those eligible for debt relief, the fact remained that many poor countries still spent more on debt servicing than on health and education. In that regard, the pledge by the President of the United States of America to cancel the debt owed to his country by the world's poorest nations was also welcome. He hoped that other rich nations would also announce and effectively make good on similar pledges.

4. **Mr. Baali** (Algeria) said that the growing interdependence of economies and globalization demonstrated the vital need for dialogue and cooperation. The international community was increasingly convinced of the need to act in order to promote the optimal exploitation by all countries, especially developing countries, of the vast opportunities for cooperation afforded by globalization. Failure to take action to regulate certain aspects of globalization would mean condemning the majority of the countries of the South to suffering from only the negative effects of globalization, leaving the richer countries to reap the benefits. Developing countries needed broad and effective international support for their efforts to achieve full integration into the world economy. In that regard, foreign direct investment, technical assistance for national capacity-building and export outlets were but a few of the indispensable conditions for the participation of the South in world trade. Vigorous and sustainable economic growth, which could greatly foster employment and poverty eradication efforts, was vital.

5. The concerns of the countries of the South and their desire for effective participation in world affairs should be more forcefully affirmed in the major forums for international dialogue and cooperation, whether as part of the debate on the strengthening of the international financial architecture or during the forthcoming WTO negotiations. Although the world economic situation had improved considerably over the past few months, poverty continued to be the daily lot of the vast majority of the world's population, and of nearly half of the African population. Indeed, the turmoil on the world markets accentuated, rather than reduced poverty.

6. The crisis of the United Nations operational activities for development was another issue of great concern to his delegation, because of the disturbing decline in official development assistance (ODA), which had already led to considerable cutbacks in the cooperation programmes implemented by the United Nations funds and programmes in developing countries. Noting that the African region had been the hardest hit by that decline, he appealed to the

international community to give Africa all the support it deserved in its efforts to end conflicts and concentrate its energies on reconstruction and development.

7. It was urgent to come up with a strategy to deal with the external debt problem of developing countries. In that regard, he welcomed the positive attitude taken by the Group of Seven in Cologne in June 1999 and by the international lending agencies at the annual meeting of IMF and the World Bank, to strengthen the Heavily Indebted Poor Countries Initiative and boost its funding. While he hoped that the implementation of the Initiative would be simplified, and its scope expanded to produce the desired effect, its funding should not be at the expense of ODA that was granted to that category of countries, or to other developing countries. The international debate on debt should also take into account the problems of other categories of developing countries, including the middle-income developing countries facing serious debt problems. Financing for development was as vital to developing countries as it was to their partners. In that regard, it was important that all countries should be involved in the preparatory process leading up to the high-level international intergovernmental forum on financing for development to be held in 2001, in a spirit of genuine cooperation and partnership.

8. The stagnation of the least developed countries remained a test of conscience and a challenge for the international community. Wealthier countries should increase development aid, provide technological assistance and debt relief and give greater support to the diversification of developing country economies.

9. His delegation welcomed the adoption by the twenty-first special session of the General Assembly of key actions for the further implementation of the Programme of Action of the International Conference on Population and Development. The fundamental relationship between population, sustained economic growth and sustainable development should be recognized. Such acknowledgement should lead to concrete actions, especially in the areas of financing for development, since without a substantial commitment on the part of the international community, and in the absence of genuine development capable of eradicating poverty, the new recommendations would be meaningless.

10. **Mr. Amaziane** (Morocco) said his delegation hoped that the world financial crisis had encouraged the international community to ponder over the shortcomings of the international monetary and financial system and take the appropriate steps to prevent such crises in future,

including enhanced coordination among the different actors in that area. The goal of such coordination should be to reduce the adverse impact of speculative capital flows on the economies of developing countries and stimulate foreign direct investment. Developed countries should also agree to make international trade regulations more favourable to developing countries by granting easier access to the products for which developing countries had a comparative advantage. In that regard, the resurgence of protectionist measures adopted in the name of social and environmental standards was disquieting, because they might undermine the very foundation of WTO. It was important to seize the opportunity offered by the third Ministerial Conference of WTO to consolidate achievements and begin an era in which trade could contribute more to the development of the countries of the South.

11. Despite the scope of the challenges facing countries as a result of globalization, he was confident that the phenomenon was a vehicle for positive changes of benefit to humankind as a whole, since they fostered democratic systems of government that respected human dignity and encouraged countries to be responsible members of a more peaceful international community.

12. The economic and social crisis in Africa was the international community's biggest challenge. As the Secretary-General had noted in his report on the work of the Organization (A/54/1, para. 172), 44 per cent of Africans, and 51 per cent of those in sub-Saharan Africa, were living in absolute poverty; 91 per cent of all acquired immunodeficiency syndrome (AIDS) deaths in the world had occurred in 34 countries, 29 of which were in Africa; Africa's debt burden was equivalent to 300 per cent of its exports of goods and services; and the continent received a mere 3 per cent of all foreign direct investment.

13. Africa's prospects for the future were not promising; growth was currently around 3 per cent, which, owing to the rapid increase in the continent's population, amounted to zero growth in terms of per capita gross domestic product (GDP). Wars, conflicts, poor governance and corruption also contributed to the image of Africa as a region in perpetual crisis. However, democratic elections were becoming the rule rather than the exception; progress towards good governance, accountability, transparency and the rule of law was slow but sure; and trade liberalization, privatization, legal and financial reforms and the rationalization of public administration were being enacted to ensure that the continent was no longer marginalized.

14. In order to carry out those difficult but necessary changes, Africa needed the international community's support, including increased financial and humanitarian assistance, contributions to peacekeeping efforts, reduction of the debt burden, better access to export markets and incentives for foreign direct investment. Through a genuine partnership at the national and international levels, Africa would be able to reach the 7 per cent economic growth rate necessary to achieve a significant decrease in poverty levels.

15. It was disturbing that at each of the mid-term reviews on follow-up to the major United Nations conferences held during the current decade, the General Assembly had noted with regret and concern that the international community had failed to meet the commitments which it had assumed. If that alarming trend continued, it would permanently harm the Organization's credibility, not only in the economic and social fields, but also with regard to peacekeeping and international security. Moreover, efforts to ensure peace and security would succeed only if accompanied by reconstruction and development. He hoped that on the occasion of the Millennium Assembly, the international community would take the necessary decisions to ensure that the United Nations could contribute effectively to both peace and development.

16. His delegation was surprised at the contradictory approaches taken on national and international issues; although the principles of democracy, popular participation, the rule of law, responsibility and equity were said to be necessary prerequisites for the rational management of a country's internal affairs, they were not being applied at the international level. A world in which prosperity was restricted to a tiny minority was not sustainable in the long term; only an equitable sharing of the benefits of progress could guarantee the continued existence of humankind.

17. **Mr. Ka** (Senegal) said that his delegation associated itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China.

18. On the eve of the third millennium, it was paradoxical that although progress in science and technology had made it possible to ensure a better life for all, over 1.5 billion people lived on less than \$1 a day and that poverty was growing more widespread during the very decade devoted to its eradication. Over 50 years after the birth of the United Nations, its ambitious goal of achieving international cooperation in solving international problems of an economic, social, cultural, or humanitarian character (Article 3 of the Charter of the United Nations) was far

from being reached. Similarly, the programmes of action adopted at the major world conferences of the 1990s contained strategies and agreed commitments which should have been of great assistance in the quest for solutions leading to sustainable development. However, those commitments had not been met, and lack of resources had prevented implementation of the strategies decided upon at those conferences.

19. It was important to ensure a consensual approach to problems; on sensitive and essential issues such as reproductive rights and health, the rule of law, the family and parental responsibility, the five-year review of the International Conference on Population and Development had nearly reached an impasse because of efforts to call into question the consensus upon which its Programme of Action was based. One of the fundamental principles of the Programme was that "the formulation and implementation of population-related policies is the responsibility of each country and should take into account the economic, social and environmental diversity of conditions in each country, with full respect for the various religious and ethical values, cultural backgrounds and philosophical convictions of its people" (A/CONF.171/13, article 1.11). His comments would also apply to the five-year reviews of other conferences, including the five-year review of the United Nations Conference on Human Settlements (HABITAT II), which would occur in 2001.

20. Much had been said of the opportunities provided, and the risk of marginalization entailed, by globalization. However, he wondered how that process could benefit people who had no access to drinking water, education, primary health care or decent housing, how those without electricity or telephones could be expected to use the information highway and how small-scale producers, farmers and artisans could adjust to the new rules of the game. Sustainable development must include the basic conditions for economic and social progress. He hoped that the Committee would continue its consideration of that issue and that Member States would have the capacity and, above all, the will to seek a solution that would involve both market forces and the regulatory functions of the State.

21. There was a need for a global, integrated approach to poverty eradication. Developing countries' exports should be given access to the markets of developed countries, and the arrangements agreed under the Generalized System of Preferences must be respected. Moreover, it was increasingly being recognized that Africa's debt burden, which exceeded 100 per cent of GDP, was essentially unpayable. Better management practices

in African countries would not solve the problem without significant debt cancellation. In that regard, he welcomed the initiative taken at the June 1999 summit of the Group of Seven in Cologne.

22. Poverty eradication also required combining trade partnerships with increased ODA and promoting microcredit and foreign direct investment. In that regard, he welcomed the agreements concluded between the European Union and the African, Caribbean and Pacific (ACP) States and hoped that the draft African Growth and Opportunity Act would be adopted by the Congress of the United States of America.

23. His Government was convinced that development required, at the national level, the development of sound economic policy, respect for the rule of law, promotion of the private sector, accountability and transparency in public affairs. The ideals on which the United Nations was based must entail a new development philosophy that would benefit the people of its Member States.

24. **Mr. Andjaba** (Namibia) said that no economy could sustain itself, let alone grow, when faced with indicators such as those mentioned with respect to Africa in the report of the Secretary-General on the work of the Organization (A/54/1, para. 172). The continent's marginalization was exacerbated, moreover, by the unfair international economic system. However, Africans were committed to facing the formidable challenges that confronted them.

25. The implementation of the poverty eradication programmes of developing countries, particularly those of Africa, was hindered by a lack of resources. The United Nations was in a position to address that issue, however, in a holistic, well-coordinated manner. He welcomed the fact that the first annual regional coordination meeting of the United Nations system in Africa, held in Nairobi in March 1999, had adopted the United Nations System-wide Special Initiative on Africa and the United Nations New Agenda for the Development of Africa in the 1990s as the framework for coordinating the Organization's approach to the development of Africa.

26. With respect to globalization, he noted that in its resolution on international trade and development (resolution 53/170, para. 10), the General Assembly had stressed the urgent need to facilitate the integration of the countries of Africa into the world economy and had called for continued efforts to enhance market access for products of export interest to African economies and support for their efforts at the diversification and building of supply capacity. To that end, his delegation called for increased support for implementation of the Plan of Action for the

Alliance for Africa's Industrialization, adopted in 1997 by the conference of African Ministers of Industry as part of the programme of the Second Industrial Development Decade for Africa. It was also of vital importance for United Nations bodies and the developed countries to provide assistance to developing countries in the areas of science and technology.

27. The external debt problem of developing countries had been on the agenda of the General Assembly for over 13 years, yet developing countries had to continue to choose between servicing their debt and providing services to their people. General Assembly resolution 53/175 stressed the necessity for a continuing supportive international economic environment (preamble para. 12) and the importance for developing countries of continuing their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth (para. 9). His delegation welcomed the recent undertakings of creditor countries and of the Bretton Woods institutions in that regard.

28. Women made up the majority of the population in most countries, and African development was dependent on their integration into the productive sectors of national economies. He noted that the Economic Commission for Africa (ECA) had chosen "African Women and Economic Development: Investing in our Future" as the theme of its fortieth anniversary conference, held in Addis Ababa in 1998, and that the General Assembly would hold its five-year review of the Fourth World Conference on Women in 2000. The Committee's deliberations should therefore include consideration of the situation of women in developing countries.

29. Prompt implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Severe Drought and/or Desertification, particularly in Africa remained a challenge, and efforts must be made to galvanize support for the efforts of developing countries, particularly those of Africa, to implement programmes of action to combat desertification.

30. Lastly, he said that the increase in the membership of the Southern African Development Community (SADC) was a sign of its continuing viability and thanked those who had continued to support SADC in the implementation of its programmes, as requested in General Assembly resolution 52/204, para. 5.

31. **Mr. Al-Hajri** (United Arab Emirates) expressed his delegation's support for the statement made by the representative of Guyana on behalf of the Group of 77 and China. International economic relations, notably those

between industrial and developing countries, were indeed marred by a lack of fairness and justice, and consequently did not serve the common goals and interests of humanity.

32. While globalization and market liberalization had had a positive impact on some countries, the aspirations of many of the world's peoples, especially those of the least developed nations, remained unattainable because of their worsening economic and financial problems and their burden of foreign debt. The continued decline of commodity prices, along with protectionism on the part of the developed countries, had wrought severe hardship on the developing countries. Globalization and liberalization should be reassessed, as they had a direct bearing on regional and international security and stability. Constructive dialogue between North and South was called for, with a view to strengthening bilateral and multilateral cooperation. Economic cooperation between neighbouring States, especially in the areas of investment and multilateral trade, was a useful means of enhancing and consolidating relations between them.

33. In view of the critical importance that had accrued to the world economic system, it was essential to eliminate the obstacles to trade used by the industrialized countries to keep out the developing countries' products. Those products must have reasonable access to world markets if the countries concerned were to attract foreign investment and strengthen the private sector. Both a strong private sector and a strong public sector were necessary for the implementation of economic and social development programmes.

34. His country, as one of the first to join WTO, was aware of the importance of enabling other developing countries to do the same.

35. Although a developing country, the United Arab Emirates had striven tirelessly for economic, social and human development, giving priority to infrastructure and applying a policy of economic freedom. Yet it had simultaneously provided aid for many developing countries, especially the least developed countries of Africa, Asia and eastern Europe, and had also given humanitarian assistance to countries stricken by natural disaster or armed conflict.

36. In that context, it was regrettable that Israel continued to apply inhumane practices against the Palestinian people of the occupied territories and to confiscate their land, water and other natural resources, in flagrant violation of the principle, based on the Charter of the United Nations and international law, that land and other resources could not legitimately be acquired by force.

Accordingly, the international community should compel Israel to desist from those practices in every part of the occupied territories, including Jerusalem, the Golan Heights and southern Lebanon, to comply with legally binding international resolutions in the matter, and to adopt the principle of land for peace.

37. In general, however, the current international situation was propitious for enhanced economic cooperation between nations and a more determined effort to eliminate the many obstacles still standing in the way of the growth and progress of the developing countries.

38. **Mr. Ralitsele** (Lesotho) expressed his delegation's support for the statement made by the representative of Guyana on behalf of the Group of 77 and China, and for the various debt relief initiatives taken by the international community thus far. His delegation hoped that a review of the Heavily Indebted Poor Countries debt initiative would lead to the relaxation of its eligibility criteria, thereby enabling Lesotho to qualify. The debt-stressed African countries were attempting to deal with their overdependence on a limited range of commodities by implementing growth strategies that emphasized export promotion and diversification. Successful elements of those strategies included increasing penetration of external markets; facilitating access to imported inputs; creating an enabling environment; improving universal primary education and access to secondary, vocational and higher education, with emphasis on science and technology; promoting entrepreneurship and enhancing the competence of the civil service. African countries had also implemented economic reforms, embraced democracy and furthered regional economic cooperation and integration. The international community should complement those efforts with broadly based financial and technical assistance.

39. The international intergovernmental forum on financing for development, to be held in the year 2001, should address the question in a holistic manner and emphasize its urgency. His delegation fully agreed that such a forum would usher in the new millennium with a momentous demonstration of global solidarity. He stressed the importance of ensuring capital flows from the developed to the developing countries, which would be beneficial to both.

40. Referring to the twenty-first special session of the General Assembly for an overall review and appraisal of the implementation of the Programme of Action of the International Conference on Population and Development, he noted that the five-year interval since the Conference had been insufficient for changes to bear fruit and urged

all development partners to provide the necessary resources to complement national efforts.

41. Concerning the twenty-second special session of the General Assembly for the review and appraisal of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, he said that Lesotho played a significant role in support of small island developing States. Its Deputy Prime Minister had been a member of a task force established by the Commonwealth to bring the vulnerability of small island developing States to the attention of the European Union, the World Bank and WTO.

42. His delegation looked forward to a satisfactory outcome of the 10-year review of the implementation of Agenda 21, to be held in 2002, based on lessons learned in previous review processes. It expected the forthcoming fifth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to be an important milestone in the elimination of greenhouse gases.

43. **Mr. Naidu** (Fiji) called for a holistic solution to the ongoing effects of the Asian financial crisis, one which was broad enough to take into account such aspects as employment, poverty and health. In the area of international trade, he expressed his delegation's concern at the fate of major export commodities, such as sugar, after the Lomé Convention expired in the coming months and urged WTO to establish specific criteria for the special and preferential treatment of developing countries. He also expressed the hope that the developing countries' efforts to increase their market access in the era of liberalization would be complemented by the necessary assistance and programmes to stimulate investment and productivity.

44. His delegation called for the total elimination of tariff peaks and tariff escalation and an end to trade-distorting agricultural support measures. The size of Fiji, its remoteness (which meant it had to pay excessive freight charges on imports) and its heavy dependence on imports and on only one or two export commodities heightened its vulnerability. The high cost of imported inputs had even negated his Government's devaluation of the dollar in 1998, a measure intended to stimulate exports.

45. The decline in ODA, for which foreign direct investment was no substitute, was worrying. A country like Fiji, which had limited natural resources and was vulnerable to the risks of global financial volatility, had difficulty attracting foreign direct investment. Even the concessionary packages it offered and its well-educated and skilled workforce had thus far seemed to make no

difference. He noted with concern that countries with 70 per cent of the world's population received only 10 per cent of foreign direct investment flows and lamented, in particular, the situation of the least developed countries. His delegation fully supported the recommendations of the Committee for Development Policy that developed countries should maintain the level of ODA and channel it into the poorest and most vulnerable countries. International organizations should further assist developing countries to enhance the effectiveness of ODA programmes.

46. His delegation firmly supported the thrust of the draft resolution on the sustainable development of small island developing States that would be introduced in the Second Committee during the current session and stressed the need for the developed and developing countries to renew and strengthen their partnership with a view to implementing the Barbados Programme of Action. Fiji welcomed the efforts of the competent authorities dealing with the special ecological, economic and other vulnerabilities faced by small island developing States. As for climate change, the small island developing States and their marine and coastal resources were vulnerable to sea-level rises, rises in temperature and the alternation between prolonged drought and flooding. Noting the frequency of hurricanes, cyclones and earthquakes in his region, he acknowledged the efforts of the United Nations in designing an early warning system during the International Decade for Natural Disaster Reduction.

47. The increasing technological gap between the developed and developing countries, caused by a concentration of investment in technologically sophisticated countries, was equally disturbing. High import costs made it difficult for small island States such as Fiji to purchase equipment and machinery, including computers, so vital to increasing productivity. He therefore called on the international community to strengthen cooperation in that area.

48. Lastly, Fiji, an archipelago State consisting of over 300 islands, whose very existence depended largely on its marine environment and its ability to exploit its marine resources, including mineral resources, within its exclusive economic zone, attached great importance to the United Nations Convention on the Law of the Sea, the conservation and management of straddling and highly migratory fish stocks and the outcome of the United Nations Conference on Environment and Development.

49. **Mr. Khan** (Director, Division for Economic and Social Council Support and Coordination, Department of

Economic and Social Affairs) expressed the hope that, at the conclusion of the Committee's general debate, there would be time for Committee members to exchange views in order to transform what was generally a monologue consisting of individual statements into a dialogue on international economic cooperation, the world economy and its implications for world development. Thus far, the general debate had centred on globalization in all its aspects, including not only finance and trade, commodities and external debt, but also the role of women and gender equality, population and environmental issues, natural disasters, poverty eradication, health, education and technology, particularly information technology. A common theme had been the gap between expectations at the beginning of the decade and the reality at the dawn of the new millennium, particularly with regard to financing for development and the outcome of the Uruguay Round of multilateral trade negotiations. He noted that significant progress had been achieved in addressing the problem of external debt and hoped that recent initiatives by the Group of Eight would help to bridge gaps in other areas.

50. In the general debate thus far, there had also been broad recognition that development in an era of globalization was different from development in the traditional sense. Under the new concept of development, the quality of growth mattered more than growth in and of itself; it was now important to ensure that growth was broadly based and human-centred, and that it took into account long-term sustainability, environmental concerns and the situation of the poor and vulnerable, which remained a central issue in the Second Committee and the United Nations at large. Other questions had been raised, including some to which there were no answers as yet, such as the effect of population growth on the stability and growth of the world economy; it was to be hoped that that question would be more closely considered during the current session.

*The meeting rose at 5 p.m.*