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### NATIONAL EXPERIENCE IN ACHIEVING FAR-REACHING SOCIAL AND ECONOMIC CHANGES FOR THE PURPOSE OF SOCIAL PROGRESS

#### Survey of recent and prospective trends and fundamental changes in the field of socio-economic development

#### Report of the Secretary-General

#### Addendum

#### I. INTRODUCTION

1. In accordance with General Assembly resolution 36/19 of 9 November 1981, the Secretary-General prepared a report, in consultation with Member States, on national experience in achieving far-reaching social and economic changes for the purpose of social progress (A/38/64), for submission to the General Assembly at its thirty-eighth session through the Commission for Social Development and the Economic and Social Council. The report is based on information contained in 11 replies received by the end of September 1982 to the note verbale sent by the Secretary-General to all Member States on 5 March 1982. Since the preparation of the report, five additional replies have been received. The present addendum to the report of the Secretary-General is based on the information contained in these replies. The information is presented under the five headings of the report corresponding to the main themes developed in the replies.

#### II. ADAPTING SOCIAL POLICIES TO CHANGING ECONOMIC CONDITIONS AND SOCIETAL CHANGE: THE EXPERIENCES OF BELGIUM AND THE NETHERLANDS

2. The Government of Belgium noted that the main problems facing the country were high unemployment and budgetary and external deficits. A policy priority to

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accelerate economic growth was based on exports, increased investment and cost containment. The proposed macro-economic measures were said to be neither new nor experimental. At the same time, a new orientation was noted towards less public intervention in the economy. Specifically, Government assistance to ailing sectors was being limited to those with good prospects for reducing relative costs and securing their competitive future.

3. Austerity measures introduced at the beginning of the 1980s included wage restraint, reduced social security contributions by the employer, modification of the system of automatic pay adjustment in line with cost-of-living changes, except for those on the minimum wage, reduced government transfers and curtailed public investment. Complementary measures were taken to stimulate output, including reduced taxes on corporate and fiscal incentives for productive investments.

4. Over the longer run, improved competitiveness and resumed economic growth were relied upon to reduce the rate of unemployment, which continued to increase with the reduction of employment opportunities and the increase in the number of people in the school-leaving age groups. Several supplementary measures were also taken to improve directly the immediate employment situation. They included organizational improvements in labour markets, a plan to improve the employment prospects of young people, encouragement of work-sharing arrangements, reform of pensions, including provisions for early retirement, and a programme for creating public-sector jobs for the long-term unemployed linked to improvements in the country's infrastructure.

5. The elaboration and implementation of policies to enhance democratic participation in economic life continued, including strengthened worker participation. A series of measures was aimed at improving access of the worker and the public to information on the operations and earnings of enterprises as a counterpart to the greater efforts demanded of the working population.

6. The Government of Belgium pointed to efforts made to improve the protection of the rights of individuals and specific groups in the work place, including statutes and practices intended to promote equal opportunities in the work place for men and women; to protect workers from the adverse consequences of economic change, particularly by regulating terms and conditions governing dismissals and redundancy; to protect agricultural incomes; and to protect the living standards of those on social security.

7. The Government of the Netherlands noted the material gains made in the 1970s, which are reflected in the wider ownership of consumer durables. For example, by 1980, three quarters of all Netherlands households possessed at least one car and a colour television. Similar improvements occurred in housing as almost half the population now own houses. Health conditions improved and were generally perceived by the population to have done so. The death rate from diseases of the heart and arteries and from road accidents fell and more than three quarters of the population claim to be in good health. But alcoholism among a wide cross-section of the population was becoming acute. Girls were staying at school longer, while more women were attending training courses and adult education programmes. Those factors contributed to a marked rise in levels of educational attainment.

8. The Government of the Netherlands noted, however, that in recent years there had been some erosion of prosperity. Unemployment had become a major issue; the number of unemployed had doubled between 1980 and 1981 and was expected to rise further to about 500,000. During the period from 1982 to 1990, 50,000 new jobs would have to be created annually in order to maintain a constant rate of employment. Thus far, little thought had been given to the social and cultural consequences of persistently high levels of unemployment, or to the consequences of hundreds of thousands, mostly young people, typically well trained and willing to work, having to face an uncertain employment future. At the same time, in the climate of high unemployment, many of the unemployed were spending more time on other activities which, while unpaid, were productive in social terms. In this connection, estimates were cited which put the time spent on such unpaid work by the Netherlands population as a whole at between one and one half and twice that devoted to paid work.

9. Reduced prosperity was also reflected in the relatively larger burden of housing costs and in the increased number of individuals and families that could be considered as "deprived". In 1981, 3 million people, or just under one fifth of the total population, received benefits under one or more of the social security or welfare programmes. A larger number of single-earner households placed increased demands on social security and other benefits. This was especially the case among divorced women, of whom 35 per cent received national assistance.

10. In response to changing economic and demographic conditions, and from the experience gained in administering social services, a realistic picture of the limitations of centralized, detailed and bureaucratic decision-making and the implementation thereof has emerged. Therefore, over the last few years, priority has been given to reducing the responsibility of central government in that area, while increasing the responsibility of local, particularly municipal, authorities and increasing voluntary effort and user participation in decisions.

### III. SOCIAL WELFARE SERVICES: THE EXPERIENCE OF EGYPT

11. The Government of Egypt identified services for the disabled, families and women, as well as community development and vocational training programmes, as features of its national effort to promote social progress. The number of disabled was estimated at 10 per cent of the total population. To provide for the needs of the disabled, the Ministry of Social Affairs maintained 47 national rehabilitation offices where the disabled could receive vocational guidance, therapy and training. Rehabilitation centres with boarding facilities were available in some local communities for hardship cases. Seventy thousand families in 2,303 centres benefited from a scheme under which projects designed to supplement family income through special employment in simple environmental and household industries made use of their members' skills and free time. A scheme of small-scale projects was launched to upgrade the skills of women in rural areas, to improve their access to credit at the village level, to train women community leaders and to establish women's enterprises, associations and clubs.

12. The co-ordination and integration of services at the community level was noted as an important part of the experimental effort to design and elaborate programmes to meet the basic needs of rural communities. In that effort, the management, skills and services were mobilized in the framework of the public service programme originally enacted in 1973. Under the scheme, public service committees identify the types of services needed in different communities, which are then implemented with the help of public service draftees. From mid-1981 to mid-1982, for example, public service draftees conducted 1,436 literacy classes for about 37,000 students and 824 other classes for 30,000 students. They organized 65 health awareness symposia, vaccinated 15,000 citizens and registered 6,000 members in new local associations. Another part of the integrated human and community development effort was vocational training. Special attention was given to drop-outs from primary and secondary education: 4,000 trainees in 33 centres throughout the country were being assisted.

#### IV. SOCIAL GUIDELINES FOR ECONOMIC GROWTH: THE EXPERIENCE OF TUNISIA

13. Tunisia, at the beginning of its third development decade, continued to implement its basic objectives of economic growth, social progress and national independence. The Government reported that, in spite of the difficulties created by the crisis of the world economy, income per capita grew, on average, by 4 per cent a year. Savings represented 32 per cent of the gross domestic product and finance 78 per cent of total investments. Private investments were being encouraged through a system of incentives, including tax reductions and low-interest loans. This accelerated markedly the growth of employment. Employment was growing in the manufacturing sector and was stable in agriculture, as Tunisia attempted to diversify its exports of industrial goods and achieve food self-sufficiency. Only 21 per cent of the population was currently below the poverty line, as compared with 48 per cent two decades ago.

14. Salaries and wages were mostly determined through collective agreements. Tunisia had a "social pact", which involved an annual discussion of salaries in the light of changes in the cost of living. The principle of a minimum wage was adopted. Working conditions were also improved in the context of negotiations on collective agreements. Social security was being expanded to include farmers and rural workers. The various social security schemes, including pensions, family allowances, health insurance and welfare benefits, were seen as an essential instrument to reduce disparities in income and living conditions. Tunisia concluded agreements on social security with Algeria, Belgium, France, the Libyan Arab Jamahiriya, Luxembourg and the Netherlands.

15. Housing, the Government noted, was a high-priority sector, together with health and education. The State played a growing role in the financing of dwellings for low- and middle-income groups in urban and rural areas. Rural housing was directly financed by the State through subsidies and long-term loans. Health centres were being created throughout the country and educational facilities were progressively being provided for people in villages and remote areas. Progress in the social sectors was perceived as an integral part of the development process.

VI. POLITICAL AND ECONOMIC FRAMEWORK FOR SOCIAL PROGRESS:  
THE EXPERIENCE OF MONGOLIA AND OF THE UNION OF SOVIET  
SOCIALIST REPUBLICS

16. The Government of the Mongolian People's Republic pointed to the special relevance of a non-capitalist strategy of development for the developing countries. It was through such an approach that Mongolia had succeeded in transforming a deep-seated, mono-cultural, feudal production system based on the raising of livestock. Before the national revolution of 1921, feudal land-owners, who accounted for only 8 per cent of the population, owned half the livestock while the herdsmen, comprising the other 92 per cent, owned the other half. The feudal régime reinforced a stagnant economy and colonial exploitation, which subjected the population to ever-increasing levels of exploitation.

17. According to the Government, the transition to socialism in Mongolia from an early pre-capitalist social structure could be divided into two basic stages. The first stage, the democratic stage, was marked by the ending of feudal economic relations and of the social relations based thereon, the exclusion of foreign capital and the development of the socialist sectors of the national economy. In the second stage of the transition, the socialist stage, the economic foundations for socialism were laid by the restructuring of agriculture and the adoption of socialist economic planning based on state and co-operative ownership.

18. In Mongolia, the Government noted, it was possible to bring about a socialist form of property ownership at the democratic stage in its development. However, many countries at a pre-bourgeois stage, like Mongolia, lacked the necessary financial and budgetary means of securing such a transformation. Feudal Mongolia did not even have a national currency until 1925. The issue of a national currency in that year enabled the State to replace foreign control over external trade and to develop a national financial system. The Government emphasized that sustained growth of the material well-being of the Mongolian people was achieved through the adoption of radical reforms and through the implementation of measures that guaranteed and strengthened the sovereignty of the State.

19. Over the past 65 years, the Union of Soviet Socialist Republics achieved far-reaching qualitative changes in its economy and social life. From a backward, underdeveloped country with a low level of culture, education, medical care and other services, the Government noted, it had become a highly developed industrial power whose development goal was to satisfy fully the ever-growing needs of its people. The economic basis for the changes was the elimination of private ownership. Social progress was based on socialist democracy, which allowed the worker to participate in the management of development.

20. The economy was now a unified complex embracing all the elements of social production and functioning on a planned, crisis-free basis. Over four fifths of the growing national income was allocated to improving the welfare of the people. The main source of development, it was noted, was the steady increase in the efficiency of production and labour productivity.

21. According to the Government, the task of equalizing the levels of development of the Union Republics had been essentially completed and an historic new human community, the Soviet people, had been formed, based on objective changes of a material and social nature and the indissoluble union between workers, peasants and intelligentsia. The position of a person depended directly on his or her work. As socialism guaranteed the opportunity to exercise the right to work, unemployment in the Soviet Union was eliminated by 1930.

22. The working class was playing an increasingly decisive role in the solution of social and economic problems. The level of education of workers and their occupational qualifications were rising and those entering the working class now had typically completed secondary schooling. The content of work was also becoming increasingly intellectual, as more complex and productive equipment and computer or automation technology were applied. Efforts were continuing to mechanize fully many labour-intensive sectors, such as agriculture. The organization of work was being improved. The necessary conditions for the transformation of work into the primary vital requirements of humankind were thus being created. The Government noted that every fourth worker was engaged in mental tasks. Of all sectors of the population, the intelligentsia was growing the fastest.

23. Wages and salaries were the main source of income for the population, and they accounted for over 70 per cent of all incomes of worker households. Wages and salaries were regulated according to the contributions of individuals and collectives to social production. Wages were increased by taking account of the features of the work and of work results. Skills, difficulty of the work, conditions and intensity and regional location were also taken into account. Wages were not increased simply on the basis of wage equalization.

24. In 1965, 4 per cent of the population was in households with a per capita monthly income of over 1,000 roubles, while one half of the population now lived in such households. The number of households with relatively low income decreased sharply and the income of collective farm workers was now close to that of non-agricultural workers.

25. The Soviet Union also used social consumption funds as a basic means of financing a wide range of measures to improve the well-being of households. They provided for the old and the infirm, and covered the costs of education, culture and social services, particularly for mothers and children, including pre-school institutions. Education was free at all levels, from primary to higher education. The 1960s and 1970s brought a radical improvement in housing conditions to four fifths of the population.

26. The Government noted that, while there remained deficiencies and uncompleted tasks, Soviet society was a society of optimism; workers were not haunted by the fear of losing their jobs or of suffering from increased social inequality.

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