



SUMMARY RECORD OF THE 11th MEETING

Chairman: Mr. OTOBO (Nigeria)
later: Mr. FERNANDEZ (Philippines)
later: Mr. NAVAJAS-MOGRO (Bolivia)

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AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

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

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued) (A/43/3, 8 and Add.1, 122, 214, 235, 273, 325, 336, 341, 360, 367 and Corr.1 and 2, 370, 393, 432, 435, 446, 457, 460, 463, 544, 587 and 671; A/C.2/43/4; A/C.2/43/L.2, L.3 and L.4)

1. Mr. ELGHOUAYEL (Tunisia), speaking on behalf of the Group ' 77, said that the second regular session of the Economic and Social Council had taken place in a spirit of constructive co-operation. Discussions had led frequently to important decisions such as decision 1988/160 on the net transfer of resources from developing to developed countries, adopted for the first time without a vote.

2. Resolution 1988/77 on the revitalization of the Economic and Social Council had been adopted following nearly two years of effort by the Group of 77 to reach agreement on the restructuring of the economic and social sectors. It constituted a sound basis upon which to pursue the objective of increasing the United Nations impact in those areas.

3. With regard to environment, five resolutions or decisions submitted by the Group of 77 had been adopted. In that connection, he noted that preparation of the international development strategy for the fourth development decade could begin pursuant to resolution 1988/76.

4. There had been a significant discussion of the draft introduction to the medium-term plan, which had confirmed the Council's ability to fulfil its terms of reference, particularly with regard to the definition of priorities in the economic and social sectors, and co-ordination of the United Nations system. The political will of the Member States and the co-operative spirit of the Secretariat had succeeded where procedural and structural mechanisms had failed. It was important henceforth to consolidate that trend, emphasizing the complementary role and functions of the Council and the General Assembly.

5. The Council had transmitted to the General Assembly a draft decision concerning reactivation of economic growth and development of developing countries, to which the developing countries attached considerable importance. The Group of 77 had also asked the Secretary-General to circulate an official document concerning the convening of a special session of the General Assembly devoted to that topic. Formal and informal discussions of all aspects of that session should be initiated as soon as possible.

6. The Group of 77 welcomed the proposal by the Director-General for Development and International Economic Co-operation to establish a group of experts to study aspects of the world economic situation and of the development of the developing countries, with particular reference to energy and fossil fuels. Such an exercise would be valuable in preparation for the special session, provided that it did not focus on too small a sector.

(Mr. Elghouayel, Tunisia)

7. The decision concerning operational activities for development was based on a draft presented by the Group of 77, amended by other delegations. The Group of 77 would be involved in any reworking of the text, referring, in particular, to its original proposals. Lastly, the developing countries attached particular importance to the process of strengthening the role of the Organization. Resolution 1988/77 would influence that process and the adaptation of the various structures to the new priorities, objectives and needs of the Member States, in particular, the developing countries. Accordingly, a definitive picture of the role of the Organization in the economic and social sectors could not be obtained until after the adoption of the international development strategy for the 1990s, reflecting priorities and goals for the next decade.
8. Mr. WANG Baoliu (China) said that a valuable debate had taken place during the second regular session of the Economic and Social Council on the question of multilateral responses to structural imbalances in the world economy. Discussions had been stimulated by statements by senior officials of the International Monetary Fund (IMF), the World Bank, the United Nations Conference on Trade and Development (UNCTAD) and other international organizations. Such debates were useful and should be combined.
9. Another important achievement was the adoption by consensus of resolution 1988/77 concerning revitalization of the Economic and Social Council, which provided not only a point of departure for reform of the Council itself, but was also a first step towards the reform of the United Nations system as a whole in the economic and social fields. In that connection, he praised the work of the Special Commission on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields.
10. The Council should play a positive role in promoting co-operation in connection with the environment, food and agriculture, transnational corporations and other issues discussed recently by the First (Economic) Committee.
11. New progress had been made with regard to regional co-operation, which complemented international economic co-operation at world level; the Council should play a more effective role in promoting and co-ordinating activities in that field and developed countries and international organizations should participate more actively to help developing countries overcome their economic difficulties and reactivate economic development. The Council should also pay more attention to the role of the regional commissions and to their co-ordination with other agencies in the United Nations system. As a member of the Economic and Social Commission for Asia and the Pacific (ESCAP), China would continue to play an active part, promoting economic and technical co-operation at all levels.
12. Concerning the environment he said that the international community should pay particular attention to the plight of the developing countries, whose unfavourable economic conditions made it impossible for them to implement environmental protection measures and whose excessive exploitation of natural resources to meet minimum needs frequently resulted in more damage to the environment. It was important to address the issue in the overall context of economic and social

(Mr. Wang Baoliu, China)

development, giving serious consideration to interrelated factors. The developed countries should, therefore, increase assistance to the developing countries, without making loans subject to environment-related conditions, and refrain from aggravating environmental problems in those countries. His delegation commended the concept of "sustainable development" advanced in the report of the World Commission on Environment and Development. It hoped that the work of that Commission would inspire the developed countries and international organizations to help the developing countries to achieve that type of development.

13. Mr. OBMINSKY (Union of Soviet Socialist Republics) said that Economic and Social Council resolution 1988/77 contained good suggestions for enhancing the efficiency and role of the Council, and the General Assembly should give it serious attention. The key role of the Council as co-ordinator of all the social and economic activities of the United Nations system could be enhanced by a political streamlining of the efforts of all bodies and agencies of the United Nations system in the implementation of comprehensive international co-operation strategies and policies. It was important to return to the practice whereby all the specialized agencies submitted regular reports to the Council. That would help bridge the existing gap between the political recommendations worked out by the international community and the practical activities for their implementation, and would help harmonize the activities of the entire United Nations system.

14. The decision to change the format of cross-organizational programme analyses and to consider them directly in the Council would not only enable the Committee for Programme and Co-ordination to focus on programme budgets and medium-term plans but would also enhance the co-ordinating potential of the Council enabling it to consider substantive issues and to draft practical recommendations and decisions. The Council should also be given the responsibility for evaluating United Nations activities in such areas as the environment, human settlements, science and technology, and population. Consideration should also be given to ways of enhancing the political role of the Council's Bureau.

15. The results of the Council's second regular session of 1988 demonstrated the growing recognition of the need for a realistic and constructive dialogue on international social and economic problems and for compromise solutions. His delegation attached great importance to the unanimous adoption of Council resolution 1988/75 on the early identification of world economic developments, Council resolution 1988/57 on the role of the United Nations Commission on Transnational Corporations in promoting alternative and new forms of international economic co-operation, and Council resolution 1988/52 on United Nations assistance programmes relating to Afghanistan. The adoption of Council resolution 1988/52 was convincing proof of the United Nations ability to respond efficiently to major international events and contribute not only to solutions to the pressing political problems but also to provide material support on the basis of due regard for their social and humanitarian aspects. His delegation also supported Council resolution 1988/66 on a human-focused approach to socio-economic recovery and development in Africa.

(Mr. Obminsky, USSR)

16. Unfortunately, other resolutions and decisions had not received unanimous support despite the vital importance of the issues with which they dealt, such as the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, the activities of transnational corporations in southern Africa and Namibia, assistance to the Palestinian people, and Israeli economic practices in the occupied Palestinian and other Arab territories. His delegation hoped that certain countries would change their negative attitude to the solution of such problems.
17. His delegation hoped that the Secretariat would keep the issue of confidence-building in international economic relations under constant review and that the General Assembly would continue to develop that important concept at its current session.
18. Mr. Fernandez (Philippines) took the Chair.
19. Mr. SHAABAN (Egypt) described the Economic and Social Council as the weakest link in the United Nations chain and said that its revitalization was a prerequisite for a more efficient and more effective system. Accordingly, the adoption by consensus of resolution 1988/77 was a major achievement and the Group of 77 should be commended for producing a substantive and comprehensive draft, which affirmed that the Council had an important contribution to make with regard to major international issues, in particular, the economic and social development of developing countries.
20. The resolution clearly set out the Council's threefold functions and powers, namely, policy formulation, monitoring and co-ordination, providing a set of principles and guidelines for its working methods, guaranteeing a maximum of co-ordination between the Council and the subsidiary bodies and rationalization of its output and capacity. It also contained specific measures which would call for joint efforts on the part of Member States and the Secretariat.
21. With regard to the reports to be prepared by the Secretary-General in that connection, he said that without co-ordinated effort and well-prepared reports, endeavours to improve the functioning of the Council and to maximize its contribution would be doomed to failure. There should, therefore, be consultations between the Secretariat and Member States prior to preparation of reports. Furthermore, consolidating reports was not just a matter of juxtaposing, compressing or listing material submitted by various bodies. It meant giving various inputs concise and intelligible form.
22. With regard to achieving more effective co-ordination of activities, including operational activities for development, within the United Nations system, the resolution not only emphasized the need to reinforce the Office of the Director-General for Development and International Economic Co-operation, but it also provided for action on the part of the Secretary-General and the specialized agencies. All such measures required careful co-ordination.

(Mr. Shaaban, Egypt)

23. The final restructuring of the Secretariat in the economic and social sectors would probably have to take account of the provisions of resolution 1988/77 and of the final decisions ensuing from discussion of the report of the Special Commission on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields. The Committee should hold informal exchanges of views between members and the Secretariat on ways and means of implementing the resolution. In that connection, he drew attention to the issues raised in paragraphs 2(b)(i), 2(f)(iii), 2(f)(vi), 2(g), (h), and (k) and 6. The main purpose of such an exchange of views would be to ensure that Member States and the Secretariat assumed their responsibilities and honoured their commitment to reform. It would also help to expedite the reform process.

24. Mr. Navajas-Mogro (Bolivia) took the Chair.

25. Mr. LABERGE (Canada) said that there had been a significant loss of momentum and energy at the Council's second regular session of 1988. Attendance had been poor, and meetings had often been cancelled owing to a lack of speakers. If the Council was to heed the call of many delegations for expanded membership, participants should be genuinely committed to making the Council work.

26. His delegation was concerned that the Special Commission had failed to come up with agreed recommendations on improving the intergovernmental structure and functions of the United Nations in the economic and social fields. Although Council resolution 1988/77 had contributed a little to keeping alive the momentum towards greater efficiency and better use of resources, it had not gone far enough. Greater commitment was needed to eliminate - or at least limit - the general debate, cut back the production of reports, avoid overlapping and duplication and clarify the organization of the debates.

27. The second regular session of 1988 had nevertheless achieved some positive results. The Council had heard a series of keynote speeches from agency and Secretariat heads, including the Secretary-General, describing and analysing economic events which affected and shaped the work of the United Nations and its Member States in the economic and social fields. It was, however, unfortunate that the Council had not had a greater opportunity to engage in a meaningful exchange of views with agency heads, including those of the IMF and the World Bank, because that was precisely where the debate on structural adjustment, debt, reverse flows and related questions could be most effectively undertaken. There had been co-operation on a number of resolutions and, thanks to participants' sincere willingness to work towards a meaningful consensus, the Council had been able to achieve substantive progress on some issues.

28. There was growing recognition of the usefulness of the World Economic Survey in studying key trends in the world economy, and delegations had readily supported the inclusion of sections analysing the contribution of women to the global economy and long-term trends in the net transfer of resources. Some delegations had noted that future issues of the Survey could examine long-term trends in the areas of trade and development.

29. Mrs. MORENO DE DEL CUETO (Mexico) said that the developing countries could not cope with the challenges of the future nor overcome the current economic crisis unless they halted the net transfer of resources to the developed countries. That phenomenon had resulted in higher interest rates and further deterioration in the terms of trade. Between 1981 and 1987, the 15 most heavily indebted countries had transferred \$120 billion, which was equivalent to a quarter of their debt. In Latin America, per capita income had fallen below the 1980 level, investment rates had slumped and capital accumulation had been transferred abroad. Multilateral financial institutions had contributed to the net negative transfer of resources, thereby becoming part of the problem instead of contributing to its solution.

30. In Mexico, between 1982 and 1987, deteriorating terms of trade had resulted in the net transfer abroad of \$57 billion or approximately 50 per cent of its total debt. Mexico's exports had increased by 108 per cent in volume but only by 33 per cent in value. Interest rates were high and, in recent months, had increased by two points. For Mexico, every percentage point meant an additional \$700 million, more or less, in debt servicing. The net transfer of resources abroad had reduced official investment by half between 1982 and 1987. Private investment had not been able to offset the lack of official investment or the shortage of jobs. Minimum wages had fallen in real terms by 50 per cent and average wages had declined by 40 per cent.

31. The United Nations Children's Fund had conducted several studies showing the social cost of the net transfer of resources to developed countries. The first to suffer were children and women. Children either did not live to adulthood or, if they did, their physical or mental faculties were impaired by malnutrition. Women were not only overworked but bore the emotional burden of seeing their children waste away before their eyes. The effectiveness of policies to alleviate the crisis depended on factors beyond a Government's control, and the future offered no solution unless the negative transfer of resources was halted.

32. Council resolution 1988/77 provided the Council with the necessary institutional bases for increasing its efficiency and its ability to deal with the economic problems of the developing world. The re-introduction of the practice whereby the specialized agencies submitted reports on measures which they had taken to implement General Assembly and Council resolutions was of great importance and, in conjunction with the Council's new role in operational activities for development, would enable the entire system to set common goals and priorities and would ensure coherence and complementarity in the work of the various specialized agencies.

33. The efficiency and effectiveness of the United Nations should be measured by the quality and promptness of its response to the challenges and problems of development. The seriousness of the economic situation in the developing countries required lasting and just solutions and the General Assembly should, as a matter of urgency, hold a special session on the reactivation of economic growth and development of developing countries.

The meeting rose at 4.30 p.m.