



SUMMARY RECORD OF THE 38th MEETING

Chairman: Mr. NAVAJAS-MOGRO (Bolivia)

later: Mr. OTOBO (Nigeria)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

Draft resolution on fulfilment of the target for official development assistance (A/C.2/43/L.31)

1. Mr. JONCK (Denmark), introducing the draft resolution, drew attention to two errors which had been introduced in the text by the editors and should be corrected. In the third preambular paragraph, the word "reiterated" should be replaced by "reinforced", and in paragraph 5, the phrase "his annual report" should read "the annual report". As the sponsors had already asked the Secretariat to make those corrections, he was surprised that a revised text had not yet been issued.
2. The obvious purpose of the draft resolution was to reaffirm the validity of the target of 0.7 per cent of the gross national product of developed countries for official development assistance and to reinforce efforts to attain that target. The sponsors had chosen to introduce their draft resolution at the current session because they were concerned that, although the target had been set 18 years earlier, many countries were still far from achieving it. In fact, the aggregate figure for official development assistance had stagnated for some time at a level half-way below target. The issue of the 0.7 per cent target had not received sufficient attention in the General Assembly; consequently, the discussion thereon needed to be revitalized.
3. Paragraph 3 of the draft resolution, which appealed to donor countries to adopt plans for achieving the target, was particularly important because of its reference to "an unannounced time-frame". Adopting a realistic approach, the sponsors had not specified any specific deadline for achievement of the target, but had left it to Governments to do so themselves.
4. He believed that the draft resolution was a good one because it was short, focused and contained an important message of substance, and the sponsors hoped that the Committee would find it easy to reach a consensus on the text.

(g) LONG-TERM STRATEGY FOR SUSTAINABLE AND ENVIRONMENTALLY SOUND DEVELOPMENT (continued)

Draft resolution on the United Nations Conference on Environment and Development: Towards Sustainable Development (A/C.2/43/L.36)

5. Mr. KIURU (Finland) introduced the draft resolution, the purpose of which was to start preparations for the convening in 1992 of a United Nations conference on environment and development. The three main elements on which the conference should focus were set out in paragraphs 4 (a) to 4 (c) of the draft text.

(Mr. Kiuru, Finland)

6. Action was urgently needed to cope with the pressures exerted on the environment by patterns of economic growth which threatened the very existence of future generations. While Governments and industry had focused their efforts to date on cleaning up pollution, the prevailing tendency had been to view pollution as an unavoidable evil intrinsic to economic growth. It was therefore time to refocus environmental policies, emphasizing new approaches and new policies for dealing with industrial pollution.

7. Just such an approach permeated the Environmental Perspective to the Year 2000 and Beyond and the report of the World Commission on Environment and Development and was reflected in recent decisions taken by the General Assembly. Nevertheless, those efforts were not commensurate with the extent of the problem. The decisive action that was required must be determined at the conference in 1992. In the hope that the draft resolution would be the subject of a consensus, he invited all delegations to join in sponsoring it.

AGENDA ITEM 85: TRAINING AND RESEARCH (continued)

(b) UNITED NATIONS UNIVERSITY (continued)

Draft resolution on the United Nations University (A/C.2/43/L.32)

8. Mr. KAGAMI (Japan), introducing the draft resolution, announced that Argentina, Bolivia, Guyana and Zambia had become sponsors. Since the establishment of the United Nations University in 1975, much of its research had been published, thereby providing it with greater international visibility. The research done by the University was of great value to the international community, as were its work in the area of training and its efforts to develop several international research institutes.

9. While his delegation was confident that the University would continue to make progress in the future, it was concerned at the current low level of its Endowment Fund (\$160 million). That situation, combined with recent adverse developments in the world economy, had forced the University to carry out its programme of activities under significant constraints. The draft resolution therefore appealed to all States to acknowledge the University's achievements, to contribute urgently and generously to its Endowment and Operating Funds, and to support its research and training centres and programmes. It was the hope of his delegation that the draft resolution would be adopted by consensus.

AGENDA ITEM 86: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
(A/43/3, 399, 402, 480, 587, 692, 709, 713, 723, 731 and 755; A/43/457-E/1988/102 and A/43/463-E/1988/106)

10. Mr. BEN MOUSSA (Morocco) expressed his delegation's solidarity with all countries receiving special economic assistance or disaster relief. It was incumbent upon the international community to provide generous assistance to its most vulnerable members in any part of the world. He also expressed his

(Mr. Ben Moussa, Morocco)

delegation's support for the Office of the United Nations Disaster Relief Co-ordinator (UNDRO) and reaffirmed the UNDRO mandate set out in General Assembly resolution 2816 (XXVI).

11. His delegation hoped that UNDRO would be provided with the staff and resources it needed to perform its tasks and to expand the UNDRONET information network, which was of critical importance to the Office's operations. In carrying out its work successfully, UNDRO would achieve the visibility it required to play a leading role in the International Decade for Natural Disaster Reduction. In that connection, his delegation welcomed the recommendations which had been made to enhance co-operation between UNDRO and UNDP.
12. In October 1988, a major ministerial conference had been held at Fez under the chairmanship of King Hassan II to formulate a strategy for combating the grasshopper and locust infestation in Africa. Although considerable resources had been mobilized to combat that scourge during 1987, the desert locusts continued to proliferate, currently threatening much of Africa. Normally, those insects consumed one fourth of Africa's agricultural production a year, but during the current infestation, a single swarm could consume an average of 80,000 tons of crops a day. The threat of famine, then, was not remote. The problem was also cause for world-wide concern, since the area of infestation threatened to extend from India to the Caribbean, affecting the lives of 1 billion people in some 60 countries. In the mean time, the quantity of insecticide required to bring the 12 million currently infested hectares under control entailed the risk of a chemical apocalypse.
13. The Fez conference had called for a new strategy in the form of a detailed plan of action, under FAO supervision, and the establishment, under United Nations auspices, of a multilateral task force which would be financed by voluntary contributions. The Secretary-General should be encouraged at the appropriate time to begin consultations with a view to convening a pledging conference to secure financing for the task force. Such a strategy was imperative, since the infestation would last at least five years. That was why his delegation had had the text of the Fez communiqué distributed along with technical notes on Morocco's experience in dealing with the problem and had also submitted a draft resolution on the subject for review by the Group of African States. If the problem continued to worsen as it had in the past 10 days, his delegation might consider requesting the convening of the Economic and Social Council, which had responsibility in that area.
14. Natural disasters had long been considered to be inevitable phenomena, which was why Governments had seldom considered them as a matter of priority. Thus the General Assembly's designation of the 1990s as the International Decade for Natural Disaster Reduction demonstrated that disaster-preparedness was increasingly being recognized as a necessity, particularly as major disasters were likely to continue through the end of the present century.
15. Few countries had adequate disaster-preparedness programmes, nor were many prepared to carry out massive public evacuations or organize relief efforts. The

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(Mr. Ben Moussa, Morocco)

situation was even worse in the developing world, whose countries suffered 95 per cent of the damage caused by natural disasters in the world, with Africa having the unfortunate privilege of being the world's most disaster-ridden region. Given that situation, the establishment of national committees in the context of the International Decade was of vital importance, since those bodies could bring together government offices and private agencies as well as academic and professional institutions in relief efforts.

16. His delegation attached great importance to the launching of the Decade, since it would mark the first time that scientific expertise would be converted into political recommendations. In that connection, he welcomed the establishment of the inter-agency steering committee and the appointment of an international ad hoc group of experts to undertake the preparations for the Decade. Morocco would host the January 1989 meeting of the international group of experts; in June 1988, it had also hosted, in collaboration with the African Academy of Science, a seminar on geophysical risks in Africa, which had supported the role of the United Nations in disaster relief operations and had called for the International Decade to ensure that the developing countries were principal beneficiaries of its activities. The seminar had also called for the drought to be covered by the Decade and had urged that regional co-operation should be undertaken in the areas of disaster mitigation and preparedness. Finally, the seminar had proposed that the Decade programme of action should take into consideration the preparations currently under way in connection with a draft convention on facilitating disaster relief, which was being reviewed by several intergovernmental and non-governmental organizations.

17. With regard to the implementation of General Assembly decision 42/433, his delegation supported the recommendation contained in paragraph 104 of the Secretary-General's report on that subject (A/43/731). The establishment of a standing disaster response team was justified by the number of programmes to be implemented during the International Decade as well as by the current fight against grasshoppers and locusts in Africa. In that connection, his delegation was pleased to announce that it would soon submit to the Committee draft resolutions on the International Decade and on the campaign against locust and grasshopper infestation and hoped that all delegations would become sponsors of those texts.

Draft decision on assistance in cases of natural disaster and other disaster situations: Office of the United Nations Disaster Relief Co-ordinator
(A/C.2/43/L.35)

18. Mr. ELGHOUAYEL (Tunisia) introducing the draft decision on behalf of the Group of 77, said that it dealt with a matter of great importance to both the Group of 77 and Member States, and there was every reason for the Committee to adopt it.

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AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued) (A/43/3, A/43/184, A/43/235-S/19674, A/43/283, A/43/287-S/19740, A/43/370, A/43/373, A/43/387-S/19918, A/43/399, A/43/425-S/19962, A/43/435, A/43/457-E/1988/102, A/43/460-E/1988/104, A/43/463-E/1988/106, A/43/480, A/43/510-S/20091, A/43/538, A/43/544, A/43/584, A/43/587, A/43/695, A/43/713, A/43/740, A/43/749; A/C.2/43/2, A/C.2/43/3, A/C.2/43/4, A/C.2/43/7; A/C.2/43/L.6; E/1988/50)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued) (A/43/376 and Corr.1-E/1988/67 and Corr.1)
- (b) TRADE AND DEVELOPMENT (continued) (A/43/15 (Vol. I and II), A/43/228 and Add.1, A/43/369, A/43/513 and Corr.1, A/43/612, A/43/763, A/43/698; A/C.2/43/L.7)
- (f) LONG-TERM TRENDS IN SOCIAL AND ECONOMIC DEVELOPMENT (continued) (A/43/554)

19. Mr. BARNETT (Jamaica) said that the International Development Strategy for the fourth United Nations development decade should benefit from the lessons of the past. It must also reflect the new international economic situation, including the interdependence of the world economy. A realistic framework for development must be established, focusing on economic and social growth and, above all, on the development of human capability. The developing countries needed a larger skilled population in a technologically changing world.

20. The incidence of critical poverty had been considerable in developing countries during the past decade, chiefly because of the adverse terms of trade and the debt burden. In implementing adjustment programmes, many had had to de-emphasize the social sector. And yet, it had become clear, that genuine development would be possible only through an integrated approach which placed as much weight on the social sector as on the economic sector. Developing countries felt the incidence of poverty not only at the international level, but also at the national level, for large segments of their populations were below the poverty line. One way to eradicate critical poverty in developing countries would be to bring the poor into the mainstream of economic and social development. Food security and poverty relief measures, however important, were short-term palliatives which would have to be replaced by programmes to increase the earning capacity of the poor.

21. While the major problems of development were caused by external factors, problems of an internal nature must also be addressed. Therefore, any new development strategy would have to reflect the interaction between national growth and development efforts and international efforts to create a better world economic environment, not least by matching at the international level the integrated economic and social approach of national growth policies. Of equal importance was the stability of the international economy. Developing countries had suffered greatly from the instability that had characterized the 1980s, largely because of a deterioration in the terms of trade. Improvement in the international trade system - i.e., removal of tariff and non-tariff barriers, greater access to the markets of developed countries and to technology - was essential to the economic

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(Mr. Barnett, Jamaica)

growth of developing countries. In that regard, the negotiations on the new Uruguay Round were crucial. In the spirit of the Punta del Este Declaration, the approach to liberalized trade must be comprehensive, not selective, as was sometimes the case. The trading system must be opened up so that developing countries could earn much-needed foreign exchange.

22. Another key element was the availability of financial resources. A new IDS would have to examine the net transfer of resources from developing to developed countries. It would also have to address the problems of reduced private and official flows to developing countries and external debt. Ironically, as resource flows to developing countries declined, their debt payments increased, absorbing resources that could be channelled into investments and economic and social development. And yet, imaginative ideas for a truly comprehensive debt relief programme were sorely lacking.

23. Environmental considerations could not be divorced from development efforts. Poverty itself contributed greatly to environmental degradation, whose forms continued to expand - from erosion and deforestation to acid rain and depletion of the ozone layer. Not all countries were affected by the same problems, and the new strategy must recognize those distinctions. Thought must also be given to its relationship to other international development efforts, such as the proposed special session of the General Assembly for the reactivation of economic growth and development in developing countries, the United Nations Conference on the Least Developed Countries, the eighth session of UNCTAD and the proposed United Nations Conference on Environment and Development.

24. The report of the Secretary-General on the specific problems and special needs of island developing countries (A/43/513), prepared in accordance with General Assembly resolution 41/163, described some of the constraints on island developing countries (IDCs), particularly the small ones. It was disappointing that the report did not fully take into account paragraph 8 of resolution 41/163, for it would have been useful to have some indication of measures taken by the United Nations agencies to respond to the needs of IDCs. More information on the work of the regional commissions, particularly the Economic Commission for Latin America and the Caribbean (ECLAC) and the Economic and Social Commission for Asia and the Pacific (ESCAP), would also have been helpful. His delegation supported the designation of UNCTAD as the focal point for specific action at the global level in favour of IDCs. However, UNCTAD's role must be strengthened and further efforts must be made in order to integrate United Nations agencies, particularly the regional commissions, in the effort to assist IDCs.

25. Mr. Otobo (Nigeria) took the Chair.

26. Mr. WANG Baolin (China) said that an international development strategy for the fourth United Nations development decade must be formulated in the light of the increased interdependence of the world economy and, at the same time, its exaggerated imbalances. The new strategy should seek to strengthen economic co-operation for the development of developing countries in the 1990s, and should

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(Mr. Wang Baolin, China)

put forward new ideas, on how best to respond to the new features of international economic relations. Judging from the experience of the Third United Nations Development Decade, some of the targets in the new strategy should be explicitly defined, while others should be more flexible and adaptable to different sets of circumstances. A monitoring mechanism would be necessary so that implementation of the strategy could be periodically reviewed. His delegation supported the proposal to set up a preparatory committee on the fourth strategy and would willingly participate in its work. It was his delegation's hope that some general guidelines for the orientation of the preparatory committee's work would be issued at the current session of the General Assembly.

27. The thirty-fifth session of the Trade and Development Board had sustained the momentum of the seventh session of UNCTAD. The increase in commodity prices hardly matched the increase in the prices of manufactured goods from developed countries. Failure to solve the commodities problem would rule out both improved economic performance in the developing countries or an upturn in the world economy in general. The international community must devote sufficient attention to commodities, one of the core issues in North-South relations. The Integrated Programme for commodities constituted an effective package of solutions and the entry into force of the Agreement establishing the Common Fund for Commodities, for which the time was now ripe, would help stabilize prices and stimulate production. His delegation hoped that the necessary preparatory work for the Agreement would be expedited.

28. The past year had witnessed frequent trade frictions. The Omnibus Trade Bill recently adopted by the United States was tinged with protectionism, and other major trade partners were also setting up barriers, particularly non-tariff barriers, counter to the spirit of the Uruguay Declaration and GATT. The standstill and roll-back provisions of the Uruguay Declaration had yet to be fulfilled. The elimination of protectionism was vital to the restoration of growth and development. It was his delegation's hope that mid-term review at the ministerial level, scheduled for December 1988 in Montreal, would contribute to the early success of the new round of multilateral trade negotiations.

29. Referring to the question of the reverse transfer of technology, he said that the socio-economic effects of the brain drain must be addressed not only by the developing countries, but also by the international community. UNCTAD's Fourth Meeting of Experts on the Reverse Transfer of Technology had been useful in that connection. His delegation hoped that, at its current session, the General Assembly would adopt the draft resolution on the reverse transfer of technology, adopted at the thirty-fourth session of the Trade and Development Board. His delegation also hoped that consultations would be concluded on outstanding issues in the draft international code of conduct on the transfer of technology. Increased international transfer of technology would serve the interests of both developed and developing countries.

30. The commendable preparatory work UNCTAD had done as focal point for the second United Nations Conference on the Least Developed Countries, to be held in 1990,

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(Mr. Wang Baolin, China)

that should be further strengthened so that the United Nations system and other relevant bodies could participate actively within their terms of reference. His delegation endorsed the report of the Secretary-General on the specific problems and special needs of island developing countries, and hoped that resolutions adopted by the General Assembly, UNCTAD and other relevant international organizations would, at last, be fully implemented. It also hoped that the international community, particularly developed countries, would provide increased financial and technical assistance to IDCs.

31. Mrs. PERKOVIC (Yugoslavia) said it was hardly surprising that the objectives of the current International Development Strategy had not yet been achieved when the gap was widening between developed and developing countries. Awareness of the shortcomings of that strategy should, however, provide the impetus for preparation of the new one for the fourth development decade, based on better understanding of the interdependence of the developed and the developing countries, and of the close interrelationships that existed with regard to economics and finance. Whilst an agreement in principle had been reached on those interrelationships at the seventh session of UNCTAD, it had not as yet been reflected adequately in current negotiating processes.

32. The new strategy should be realistic and flexible, and aim at promoting the development of developing countries so that a revival of growth in the world economy could take place. With regard to the preparatory process, the Secondary Committee should concentrate only on general guidelines at its 1988 session, leaving matters of substance to be dealt with by the Ad Hoc Committee of the Whole. Meanwhile, there was no need for a separate review of the current strategy, since an assessment had been made only recently.

33. Her delegation shared the views of some agencies that the credibility of the United Nations system in the economic and social fields could be either restored or impaired by a third international development strategy exercise. Nevertheless, although it involved risk, that exercise was indispensable if more balanced development and a stronger and more equitable world economic system were to be achieved. It was difficult to agree that the new strategy should concentrate on only a few selected topics of genuine strategic importance. A partial strategy made little economic sense. As far as targets and indicators were concerned, it was important to have firm objectives, even if some later adjustment would have to be made.

34. All parts of the United Nations system should be involved in the preparation of the strategy, with the Committee for Development Planning having a particularly significant role to play. The report of the Secretary-General entitled "Overall socio-economic perspective of the world economy to the year 2000" (A/43/554) was an especially valuable contribution to the exercise.

35. Her delegation had pointed out earlier that the real significance of the Final Act of the seventh session of UNCTAD would emerge only through its implementation. There was common consent, however, both within the plenary Assembly and in the Second Committee, that no progress had been achieved in the economic field over the

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(Mrs. Perkovic, Yugoslavia)

past year. The principle of interdependence had yet to prove itself in practice, and there appeared to be no general readiness to address common problems on the basis of the Final Act. The recent session of the Trade and Development Board had failed to reflect the spirit that had prevailed during the seventh session of UNCTAD. Nevertheless, her delegation believed that that spirit would eventually permeate international economic co-operation, thereby contributing to the fulfilment of the commitments undertaken in the Final Act.

36. The Uruguay Round of multilateral trade negotiations had not yet led to any improvement in the international trade environment, which continued to be plagued by rising protectionism. The standstill and rollback commitments undertaken at Punta del Este were not being honoured, and no progress had been made with regard to priorities for the developing countries, such as textiles, agriculture and tropical products. The forthcoming mid-term review would, however, provide an opportunity to give fresh impetus to the negotiations. In that connection, she emphasized that the principle of differential and more favourable treatment for developing countries should not only be preserved, but strengthened and implemented in all areas of negotiation. A positive contribution to the liberalization of international trade was the adoption of the final text of the Agreement on the Global System of Trade Preferences among Developing Countries.

37. Lastly, her delegation attached importance to the negotiations on a draft international code of conduct on the transfer of technology, and regretted that no progress had been made in that regard in 1988.

38. Mr. ZIZKA (Czechoslovakia) said that the international development strategy for the fourth United Nations development decade must be co-ordinated with the United Nations medium-term plan for the years 1992-1997, which was currently being prepared. A number of initiatives, such as the convening in 1990 of a special session of the General Assembly on the reactivation of economic growth, and of a conference in 1992 or earlier on environmental co-operation, would have a significant influence on international activities in the 1990s. Co-ordination of economic policies, harmonization of interests and early identification of alarming phenomena as a signal for increased economic co-operation were also significant elements and should be embodied in the strategy.

39. At its thirty-fourth session, the Trade and Development Board had adopted agreed conclusions on trade relations among States having different economic and social systems. The activities of UNCTAD in that field were fully in keeping with its mandate and contributed to confidence-building through equal and universal co-operation. Efforts should be made to implement the Final Act of the seventh session of UNCTAD, adopted in 1987. It was also very appropriate to recall the initiative concerning the solution of the external debt problem, as proposed in the report of the Trade and Development Board (A/43/15 (Vol.I)).

40. Much was being accomplished to solve a number of problems which persisted in international trade, especially in the area of trade policy. Progress had been facilitated by the development of relations between the Council for Mutual Economic Assistance (CMEA) and the European Economic Community (EEC) as well as by the

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(Mr. Zizka, Czechoslovakia)

Uruguay Round. The General Agreement on Tariffs and Trade (GATT) would have a positive influence on international trade if it extended its scope to those countries, which wished to accede to it, in particular the Soviet Union. Non-discrimination and most-favoured-nation treatment were the key principles of GATT, and some countries should harmonize their legislative and economic practices in conformity with their obligations to GATT. Czechoslovakia condemned the use of economic relations as a means of political coercion, and its position on that issue was contained in the Secretary-General's report on the trade embargo against Nicaragua (A/43/612).

41. Czechoslovakia was active in the development of human resources and had trained tens of thousands of people from developing countries, from workers to highly skilled scientists and technicians. It was therefore greatly concerned at the reverse transfer of technology, and Czechoslovak experts were participating actively in negotiations in UNCTAD to halt that negative development.

42. Mr. WORONIECKI (Poland) said his delegation hoped that UNCTAD, in co-operation with all the United Nations organs and organizations concerned, would do its utmost to assist in drawing up for the fourth United Nations development decade an imaginative international development strategy which would be capable of generating political will for concerted action in favour of development. Without a significant improvement in the lot of developing countries and without a durable solution to the problem of external debt, the future of the world economy would be in jeopardy. Common approaches to basic economic issues, greater confidence and commitment in international economic relations, combined with a profound knowledge of long-term trends, could strengthen international economic co-operation for development and facilitate the preparation and unanimous approval of a new international development strategy.

43. The liberalization of trade could help reinvigorate world economic growth, and the current GATT round of multilateral trade negotiations held out the promise of such liberalization, although so far the drift towards protectionism and "managed trade" had not been halted. As a consequence, the export revenues of many indebted countries, including Poland, had dwindled, as had their debt-servicing capacity. Poland was preparing a biennial plan for the consolidation of the national economy in 1989-1990 and, at the same time, was engaged in consultations with the International Monetary Fund (IMF) and the World Bank. The objective of the plan was to halt inflation, regain market equilibrium, improve housing and restore the role of the money incentive for enterprises and households. Poland earnestly hoped that its efforts would finally obtain financial backing - and not only advice - from international financial organizations and the Governments which belonged to the Paris Club.

44. His delegation hoped that the current session of the General Assembly would culminate in a consensus set of guidelines covering the interdependent areas of trade, debt and development, and the activities of UNCTAD in that area. The time

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(Mr. Woroniecki, Poland)

had come to confront the accumulated problems of debt, access to markets and fresh resource flows in order to reactivate growth in the developing countries.

45. Mr. Navajas-Mogro (Bolivia) resumed the Chair.

46. Mr. GIANELLI (Uruguay) said that the Secretary-General's report on the preparation of a new international development strategy (A/43/376-E/1988/67) provided a sound basis for consideration of the topic. The general criteria it set out suggested that the new strategy would differ substantially from the current one.

47. According to the report, the new strategy should be realistic and flexible, and focus on a few priority topics. The responsibilities and commitments assumed by the developed and the developing countries should be clearly defined, while the objectives laid down should take proper account of the capacity of the international system as a whole and of the individual member countries. Lastly, assessment and adjustment mechanisms should be introduced to permit rapid changes, thus avoiding any loss of political effect if events ran contrary to expectations.

48. The strategy should be an instrument of comprehensive medium- and long-term planning, sufficiently flexible to accommodate short-term action in specific sectors. For example, the projects relating to African economic recovery and to economic co-operation in Central America represented short-term action compatible with a long-term objective, that of achieving economic co-operation for development.

49. The Secretariat should consider in depth the basis upon which to construct the individual elements of the strategy. For his delegation, that meant taking account of the rapid technological and industrial changes which were a source of such inequality between the developed and the developing countries. Technological advances and computerization were resulting in greatly increased productivity, while new products were becoming a far more significant factor in the services sector. The traditional division between goods and services was beginning to change dramatically.

50. Accordingly, a new strategy should take account of three major changes affecting the participation of the developing countries in the international economic system. First, since 1977 there had been a virtual collapse in the market for raw materials because of the application of new technologies in the manufacturing industry and decreasing use of primary commodities. Secondly, rapid technological change had radically affected the labour market, rendering many traditional jobs obsolete and forcing workers to acquire new skills, and thirdly, the international financial system had acquired its own priorities and become quite distinct from trade in goods and services, becoming completely beyond the control of the developing countries. His delegation considered that proper account had not been taken of those changes in the Secretary-General's report. While issues such as poverty, food shortages and sexual equality were highly important, they should be considered not in isolation, but in the context of change.

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(Mr. Gianelli, Uruguay)

51. Many of the developing countries, especially those mainly dependent on agricultural products and commodities, had had little share in the growth of demand and production. Some had accumulated enormous external debts and been obliged to reduce imports, limiting their production capacity in the long term. Any new strategy should aim to reverse such trends.

52. Because international trade was the most powerful means of technology transfer, its strengthening and liberalization must play a major part in the new strategy. Its rules and disciplines should be reworked in order to adapt to new circumstances and to create better conditions for the participation of developing countries.

53. In the GATT negotiations on market access, the possible benefits of liberalization should not be made subject to the granting of reciprocal arrangements by the developing countries. More specific rules should be established to prevent the use of protectionist measures, with more disciplined application of safeguard clauses and restriction of the use of anti-dumping legislation and countervailing duties. The clauses concerning balance of payments should not be altered so that their use by developing countries was restricted. Rapid adjustments should be made with regard to agricultural trade, with provision being made for short-, medium- and long-term measures to achieve a gradual liberalization, accompanied by food aid programmes to relieve the dependence of those developing countries that were net importers of foodstuffs. Lastly, discussions of new topics should not focus on the establishment of standards and principles benefiting undertakings in highly developed countries, without taking account of the need for the developing countries to maintain certain national regulations in order to achieve economic growth. Rather than placing undue emphasis on free access to markets, right of establishment, equal treatment in recipient countries and internal deregulation, which would increase the advantages already enjoyed by the countries that generated technology, a balance should be sought which would enable the developing countries to achieve technological changes compatible with their domestic requirements.

54. Mr. VALLENILLA (Venezuela) said that preparation of an international development strategy for the 1990s was one of the most important tasks facing the Organization before the end of the current decade.

55. It was unnecessary to make a detailed assessment of the progress achieved during the Third Decade. The new strategy should incorporate those basic concepts which remained valid, even if the specific objectives had not yet been achieved. It should, however, take account of new elements in international economic relations.

56. The strategy for the fourth decade must aim, above all, at reducing the inequalities between the developing and the developed countries within the framework of a new international economic order, while also taking into account the main aspects of the existing international economic system. That was more important than taking equal account of the interests of both developed and

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(Mr. Vallenilla, Venezuela)

developing countries. Given that the strategy was designed to promote development, it was hard to accept that it should be based equally on the interests of powerful and poor countries. A fair situation would be one in which those with greater resources had more responsibility and a greater duty to co-operate with those who had less. The strategy had ethical implications with regard to the obligation of individual States.

57. While his delegation did not necessarily reject the suggestion that the strategy should focus on a few priority topics, it stressed the importance of combining those with the basic conceptual elements. The strategy should respond not only to immediate development issues, but also to ongoing problems of a structural nature which persisted in spite of cyclical variations.

58. The international development strategies provided a framework for concerted action at national and international level. While the obligations negotiated in the context of previous strategies had not necessarily been fulfilled, they had provided a basis of commitments by Governments which was valuable for future negotiations.

59. His delegation believed it important to establish quantitative objectives with regard, for example, to savings, investment, capital flows, exports and imports, needed to achieve a minimum of growth and development, together with basic social indicators, such as employment, health and education. Quantitative objectives, while admittedly serving only as a benchmark, would lend the strategy coherence and afford a clear demonstration of the interdependence between social and economic variables.

60. In addition to development objectives, it was important to consider the interrelated problems of money, finance and trade and the means of overcoming the debt crisis and other related phenomena. The strategy should also be flexible, so that it could adapt to changes in international economic relations in the course of its implementation.

61. Mr. AL-FAIHANI (Bahrain) said that his country suffered from some of the specific problems of island developing countries outlined in the report of the Secretary-General contained in document A/43/513 - for example, a very small land area, a small population, water supply constraints and a scarcity of land fit for cultivation. Unlike other island developing countries, it had no exclusive economic zone since the boundaries of its territorial waters overlapped with those of its neighbours. Bahrain was therefore unable to expand its fishing industry and could make only restricted use of other marine resources, particularly oil resources. The fact that the value of Bahrain's exports was no more than \$2,344 million and of its imports no more than \$2,167 million could be attributed to the restricted size of the local market and to the country's geographical remoteness from major markets, which led to high transport and communications costs.

62. Bahrain was dependent on one non-renewable export commodity, namely petroleum. Since the beginning of the 1980s, the economy had been much influenced by the fall-off in production and the sharp and continuing fall in oil prices.

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(Mr. Al-Faihani, Bahrain)

That had, in turn, affected gross national income and, in particular, the efforts made to diversify sources of revenue. In recent years, there had been a sharp decline in a number of economic indicators, such as gross national product (GNP), per capita GNP, the annual growth rate, commodity exports, overall imports and imports as a percentage of GNP, as well as in the official development assistance provided. According to the 1985 figures, the country's total external debt was \$1,115.6 million.

63. His Government had continued to pursue an economic policy aimed at diversification, despite the negative repercussions on the economy of the continuing fall in crude oil prices. It had endeavoured to stimulate economic activity, the banking and insurance sectors, which accounted for 20 to 22 per cent of the non-petroleum GDP, and the industrial sector, which accounted for 7 per cent, had generally undergone a certain improvement. That did not mean that the search for permanent solutions to the problems affecting the country's economic performance had been neglected. In view of the paucity of natural resources, his Government had taken a great interest in industrial development and had intensified its efforts to expand the industrial base. The manufacturing industry required continuing support, and light industry needed more assistance if it was to stand on its own feet and make inroads on overseas markets.

64. The secretariat of UNCTAD had prepared studies on services in Bahrain and on the possibility of establishing a Bahrain trade centre serving the Gulf region. The necessary financing for practical follow-up to those studies was still awaited. Projects for economic and commercial diversification in the country lacked the necessary capital for their execution. Opportunities must be identified for the establishment of new projects, new products introduced, financing provided for technological innovations, administration and training developed, an exportation and marketing authority, a free trade zone and a development bank established, quality control strengthened, and incentives instituted in support of industrial and commercial establishments.

65. His delegation called upon the World Bank, IMF, UNCTAD, UNDP, and the Department of Technical Co-operation for Development of the United Nations to increase their development assistance to the island developing countries and, in particular, to intensify their efforts for the solution of their development problems. The overall need of those countries for development assistance should be evaluated, since focusing on one economic indicator in a given country did not provide a true picture of that country's economic performance. His delegation also hoped that the international community and the organizations of the United Nations system, in close co-operation with the competent authorities in those countries, would agree on a plan of action for development assistance to the island developing countries.

66. The Secretary-General and the Trade and Development Board should continue to submit regular reports on the problems and needs of the island developing countries, and the focus should be on development issues relating to the efforts made by those countries to achieve self-sustaining economic growth.

The meeting rose at 6 p.m.