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Chairman: Mr. NAVAJAS-MOGRO (Bolivia)

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The meeting was called to order at 10.15 a.m.

PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1984-1989 (EXTENDED TO 1991) AND DRAFT INTRODUCTION TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997 (continued) (A/43/6 and Corr.1, A/43/16 (Part I), A/43/16 (Part II), A/43/329 and Add.1; A/C.2/43/L.9, A/C.5/43/LP.4)

1. Mr. ZVEZDIN (Union of Soviet Socialist Republics) said that his delegation, like many others, had already had an opportunity to state its views on the draft introduction to the medium-term plan (A/43/329, annex) - a subject which it considered to be of the greatest importance - after the second regular session of the Economic and Social Council in 1988 and the resumed twenty-eighth session of the Committee for Programme and Co-ordination (CPC); those views had generally been favourable, and continued to be so.
2. The medium-term plan must reflect what States had agreed upon as a conceptual framework for the activities of the United Nations during the 1990s, and take into account the basic trends in today's world, economic interdependence and the need to expand the work of the United Nations in line with a broad, multi-faceted approach. The Secretary-General had rightly pointed out that security was not confined to the political and military sphere, but also covered important ecological, economic, social and humanitarian aspects. The actual programmes in the plan should be aimed at implementing instruments such as the Declaration on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the resolutions and Final Act of the seventh session of UNCTAD, as well as various resolutions and decisions of the General Assembly and the Economic and Social Council dealing, inter alia, with external debt, international economic security, confidence-building measures and the protection of the environment.
3. Preparation of the medium-term plan should be linked to the formulation of the international development strategy for the fourth United Nations development decade. The latter document should be approved by consensus, reflect the interests of all countries, take into account the interdependence of all States and seek solutions to current international economic problems, especially in so far as they affected the developing countries. In the 1990s the United Nations should be a forum for seeking solutions to the problems of external debt, the liberalization of trade, the improvement of the situation of the least developed countries and the at least partial solution of Africa's economic crisis. Likewise, such issues as the conclusion of codes of conduct for transnational corporations and the transfer of technology, the preparation of a long-term scientific and technical strategy, the development of new sources of energy, the industrialization of the developing countries, multilateral co-operation with respect to population, world food security, the preservation of the environment, the rational exploitation of natural resources and the prevention of natural disasters remained fully valid. It was difficult to conceive of a socio-economic problem which could not be approached effectively if the narrow interests of certain countries were set aside and consideration was given to the possibilities of international co-operation in which

(Mr. Zvezdin, USSR)

all countries were on an equal footing and their legitimate interests were recognized.

4. Where specific aspects of the draft introduction were concerned, some issues had not been given sufficiently thorough consideration. For instance, there were passages which, by suggesting that the external debt problem should be resolved exclusively within the framework of the International Monetary Fund and the World Bank and that trade problems should be dealt with only in the multilateral negotiations of the Uruguayan Round held under the auspices of GATT, appeared to reduce the role of the United Nations to that of a simple observer of those processes. Rather, the activities of the United Nations, on the one hand, and those of the World Bank, the International Monetary Fund and GATT, on the other, must be co-ordinated; the role assigned to the General Assembly and the Economic and Social Council in drawing up recommendations and general rules regarding the way in which world economic problems, including monetary, financial and trade problems, should be resolved could not be ignored. In that way the United Nations would be able to contribute more effectively to the universalization and democratization of the international monetary and trade system.

5. His delegation was in favour of strengthening the relationships between the normative and the operational activities of the United Nations system where development was concerned, without in any way condoning the practice of providing technical assistance only and invariably to certain countries. The conduct of operational activities should be based on the relevant decisions of the General Assembly, according to which it was for the Governments of the recipient countries to co-ordinate and apportion multilateral aid, and outside interference in the internal affairs of those countries was prohibited.

6. The establishment of priorities in the medium-term plan, which was a difficult task, should be based on the Charter of the United Nations. The idea of a radical reduction in the number of priority issues in the economic and social sphere was perhaps not very practical, but on the other hand proliferation of programmes should be avoided. Quality of the programmes offered was more important than their quantity. Furthermore, the final structure of the plan could be approved only once the Secretariat had provided detailed information on the subject and delegations were in a position to study the matter thoroughly. It was important to ensure that the new structure was balanced and did not lead to excessive expansion of programmes; nor, however, should it adversely affect the discharge of intergovernmental mandates already approved or lead to a weakening of national programmes.

7. The changes introduced in the current medium-term plan were appropriate, since they accurately reflected developments in the United Nations over the past two years.

8. Mr. KUECK (German Democratic Republic) said that the draft introduction to the medium-term plan (A/43/329, annex) constituted an appropriate and balanced basis for study, and reflected adequately the objective situation and the necessities of today's world. His delegation had forwarded to the Secretary-General detailed

(Mr. Kueck, German Democratic Republic)

comments on the draft, and had also expressed its views in the Economic and Social Council and CPC. He would thus confine himself to reiterating some of the main ideas.

9. The preparation of the plan for the 1990s meant taking significant decisions for the further development of the United Nations. The Secretary-General's idea of basing the draft introduction strictly on the Charter, and particularly on the objectives set forth in its Preamble and in Article 1, was an excellent one. His delegation shared the view that the maintenance of international peace and security, the pursuit of disarmament, especially nuclear disarmament, the elaboration of international law, the promotion of the economic and social development of all peoples and the protection of human rights would remain the priorities of the United Nations in the coming years (A/43/329, annex, para. 95). It also agreed that, as was pointed out in the document (para. 40), a nuclear war could not be won and must never be fought. Ending the arms race, taking effective nuclear and conventional disarmament measures and utilizing the human, material and financial resources thus released was the main way towards the survival and socio-economic progress of mankind.

10. His Government also agreed with the view that most of the problems now existing in the world would persist in the next decade. Measures were urgently needed to preserve the environment, overcome underdevelopment and ensure adequate living conditions for present and future generations all over the world. The Organization's socio-economic activities during the 1990s should focus on: stable growth of the world economy and of national economies; normalization of international trade; solution of the external debt problem of developing countries; ensuring a well-functioning international monetary and financial system; enhancement of co-operation in the development of human resources and of science and technology; and environmental protection and the rational use of natural resources. Unless the most urgent economic problems facing the developing countries were solved, it would be impossible to achieve stable development of the world economy.

11. The German Democratic Republic firmly supported the efforts of the United Nations to complete the process of decolonization and combat violations of the right of peoples to self-determination, including efforts to abolish apartheid, racism and other mass violations of human rights. The new medium-term plan should encourage international co-operation in implementing human rights, proceeding from the basis that those rights were indivisible and interdependent. The United Nations must continue its activities relating to the struggle against illicit drug trafficking, drug abuse and crime, as well as its activities in the field of international law and its codification. Likewise, the Organization's participation in the settlement of regional conflicts must be strengthened.

12. The draft introduction to the medium-term plan constituted a useful and constructive framework for the work of the Organization in the 1990s, and particularly for its unique role in multilateral co-operation, which was of such concern to the international community.

13. Mr. LIN Huisheng (China) said he would make a few observations on document A/43/329 without repeating the comments his delegation had made in other bodies. After carefully considering those parts of the report that dealt with economic issues, his delegation had concluded that it was difficult to obtain a clear and complete picture of the activities the United Nations was prepared to carry out in that field during the period covered by the next medium-term plan because references to them were scattered throughout the text. It was therefore necessary to make some adjustments and to separate social problems from economic problems in order to treat the latter independently.

14. His delegation was in full agreement with paragraph 57 of the draft introduction because it believed it was in the interest of all countries to evaluate the experience gained from the International Development Strategy for the Third United Nations Development Decade and to formulate a new strategy for the fourth decade. The new strategy should be comprehensive and cover all the interrelated areas that were of vital importance to the developing countries. It should also set realistic and practical targets and establish a monitoring and review mechanism that involved the monitoring of relevant indicators.

15. The next medium-term plan should specify how implementation of the United Nations Plan for African Economic Recovery and Development should continue. His delegation welcomed the decision by the United Nations to keep the question of external debt under review (para. 58). The draft resolution on the external debt crisis and development (A/C.2/43/L.15) included measures and provisions that could help change the situation, and the medium-term plan would have to consider how the resolution that the General Assembly would adopt on that subject during its current session was to be implemented. With regard to international trade, the document contained no reference to the increasing difficulties experienced by the developing countries as a result of low commodity prices, nor did it point out that protectionism still posed the main threat to world trade. The medium-term plan should set out clear measures and procedures to correct that situation.

16. Finally, with regard to paragraph 71 of the report, his delegation agreed that the United Nations should play a key role in promoting international co-operation in the area of science and technology for development. However, the political considerations involved, the imbalance in economic development, and protectionism in the technological sector were factors blocking further development and progress in that field. In that connection, it was unfortunate that the Vienna Programme of Action on Science and Technology for Development, adopted by the General Assembly in 1979, had yet to be implemented effectively. The medium-term plan must therefore give an account of existing problems and propose practical and feasible measures for keeping abreast of the rapid advances in science and technology and promoting their application.

17. His delegation hoped that its recommendations concerning economic issues that ought to be included in the medium-term plan, a document that would continue to guide the activities of the United Nations system for some years to come, would be taken fully into consideration. The discussion and comments from other Member States would help the Committee reach a common perspective with a view to improving the plan.

18. Mr. SEPELAK (Czechoslovakia) said it was important that the draft introduction to the medium-term plan (A/43/329, annex) should be considered in a body with universal membership such as the General Assembly. His delegation found the draft introduction to be an interesting and well-balanced document which reflected the concerns of the international community and the anticipated response of the United Nations to them in the 1990s, when the Organization would have to be strengthened further in order to cope with the problems facing mankind. Thus his delegation fully agreed that the basic functions of the Organization needed to be strengthened, as indicated in paragraph 18 of the draft introduction.

19. In the section entitled "Economic and social advancement of all peoples" (part II, section C), reference was made to several issues whose solution would contribute to the achievement of the goals of the United Nations Charter in the area of economic and social development; in addition, the text explained the interrelationship of those problems, which were also considered individually. It also acknowledged the importance of the preparation of an international development strategy for the 1990s.

20. His delegation took note of the paragraphs dealing with environmental considerations of part II, section C, but believed that the campaign against deterioration of the global environment ought to be highlighted more eloquently both in the prologue of the draft introduction and in part III, which dealt with priorities. The current wording was inadequate, especially in the light of such documents as the Secretary-General's report on the work of the Organization and the report of the World Commission on Environment and Development (A/42/427), which ascribed due importance to those issues in the Organization's activities.

21. His delegation had taken note of the calendar of consultations on the medium-term plan for the period starting in 1992 (A/43/329/Add.1) and hoped that the outcome of those consultations would be reflected in the updated introduction to the plan.

22. Mr. ADAMIDES (Greece), speaking on behalf of the States members of the European Community, said he would make general comments on the economic and social issues discussed in the draft introduction to the medium-term plan on the understanding that an in-depth study would be conducted in the Committee for Programme and Co-ordination (CPC) and in the Fifth Committee. The members of the European Community had collaborated constructively in the United Nations reform exercise and were confident that the results of that important process would be reflected in the medium-term plan in order to ensure the effective and co-ordinated implementation of programmes. The Twelve continued to support the consensus reached in CPC on the revisions proposed by the Secretariat to the current medium-term plan.

23. The European Community had repeatedly affirmed its commitment to the promotion and protection of human rights throughout the world and had noted the paramount importance it attached to the fight against terrorism. The Community also believed that the existing human rights mechanisms of the United Nations should be maintained and strengthened, including the bodies and special rapporteurs which had

(Mr. Adamides, Greece)

been established to monitor respect for the dignity of the human person and to protect the individual from the State.

24. Concerning issues related to international economic co-operation, it was well known that the first half of the 1980s had been a difficult period for the world economy in general and for the development process in particular. However, positive developments during the second half of the decade had created a more favourable environment for tackling a number of problems, including external debt and the situation of the least developed countries.

25. Some problems had to be dealt with in the framework of a wider dialogue that included the United Nations system and other government and, occasionally, non-governmental organizations. Environmental problems were another issue of particular interest to the European Community. Sustainable development required an intersectoral approach that took into consideration demographic trends, food security, the environment and energy. Of equal importance was the question of the integration of women in development. The fight against drug abuse and international drug control must be intensified with assistance from the Commission on Narcotic Drugs. The Declaration of the International Conference on Drug Abuse and Illicit Trafficking was an expression of the political will of all States to combat the drug menace in all its forms.

26. As a result of the reform process in the United Nations, the Organization might have to introduce structural and organizational changes before the medium-term plan went into effect. In the coming years, it was possible that the Organization would be called upon to perform different tasks and functions and that Member States might change their positions to some extent. The European Community hoped that the activities of the United Nations in the 1990s would be characterized by greater flexibility and efficiency.

27. Mr. ELGHOUAYEL (Tunisia), speaking on behalf of the Group of 77, referred to some aspects of the document on the proposed programme structure of the medium-term plan for the period beginning in 1992 (A/C.5/43/CRP.4) that were relevant to the Second Committee's work, in order to ascertain the guidelines used by the Secretariat in preparing that text. It appeared from paragraph 5, subparagraph (c), that certain differences of perception and sensibility persisted between the Secretariat and Member States. It was stated therein that "Intergovernmental organs adopt new legislation launching new activities or adding objectives to existing programmes or subprogrammes without referring to or even taking note of the medium-term plan"; there was reason to ask what factors had led the Secretariat to that conclusion and what implications it based on that assumption. It was a function of intergovernmental organs, consisting of sovereign States, to adopt new texts for updating the objectives of United Nations programme and subprogramme activities. Such updating was essential, because the medium-term plan was actually a long-term plan requiring annual adjustments in order to enable the Organization to adapt to new realities and the prevailing situation. In paragraph 5, subparagraph (c), it was stated that "Central organs, notably the Committee for Programme and Co-ordination and the Fifth Committee of the General

(Mr. Elghouayel, Tunisia)

Assembly, when revising the plan, are not in a position to have an overview of the effects on this plan of the mandates adopted by other organs".

28. Those statements contained an implicit, but no doubt involuntary, criticism of the delegations members of such organs, for which reason the Group of 77 deemed it essential that the Secretariat should clarify the meaning of that subparagraph or amend its text. The words quoted could not serve as a basis for arriving at any rational conclusion, and therefore neither could the conclusions reached at the end of the subparagraph. There was no doubt that a simpler plan was needed, and that the procedure for establishing expositions on the implications for the programme budget had to be improved, but the arguments used were not convincing. Member States were convinced that what was needed was not just a more compact and better structured plan but a more operational and more transparent one, and that aim could not be achieved so long as the Secretariat did not carry out the analytical work necessary for presenting a plan that would be acceptable to Member States. The problem was of a conceptual and analytical nature. The Group of 77 considered that document A/C.5/43/CRP.4 should be amended and revised.

29. Turning to the proposed programme structure in annex I of the said document, and specifically to the part of concern to the Committee, he pointed out that there was no reason for splitting up major programmes IV and V, the former relating to international economic co-operation for development and the latter to international co-operation for social development. The Group of 77 took the view that there should be a single programme on international co-operation for development, covering all aspects of development, both economic and social. Obviously the great majority, and perhaps all, of the Member States wanted more clustering of economic and social questions, and it was surprising that attention had still not been paid to a message so often reiterated by the Group of 77 in the General Assembly, the Economic and Social Council and the Committee for Programme and Co-ordination.

30. Furthermore, the list of programmes included under major programme IV (programmes 14 to 26) was incomplete, particularly if it was borne in mind that the United Nations and its principal organs should have an overview of the general activities of the system in the economic sector, and for that purpose it was most important that, among the programmes, specific reference should also be made to the fundamental priorities in the economic sector, for example, agriculture, industry, transport and communications, services, tourism and the external debt. It would also be advisable to rename programme 14 simply "Development issues and policies", to rename programme 16 "Development finance, resource flows and net transfers of real resources" and to rename programme 20 "Science and technology for development". Energy issues, at present in programme 22, should be in a separate programme, possibly entitled "Energy resources for development and new and renewable sources of energy". The Group of 77 also thought that the title of programme 23 ("Development planning, public administration, finance and management") was confusing, and therefore proposed that the words "administration" and "public" should be deleted and a separate programme on public administration should be established.

(Mr. Elghouayel, Tunisia)

31. The Group of 77 also drew attention to the statements and comments made on its behalf in various bodies and reserved its position pending new proposals from the Secretariat.

32. Mr. CAHILL (United States of America) congratulated the Secretary-General on reconciling the various positions in the draft introduction to the medium-term plan (A/43/329, annex), adding that there were several points on which his delegation did not agree.

33. Paragraphs 4 and 80 of the draft introduction referred to a link - in a sense obvious - between the issues of peace, development, the environment, the availability of resources and population, but too much emphasis on that link could blur the distinction between the legal and technical mandates of the principal organs as they were laid down in the Charter. Proposed comprehensive and integrated approaches to world problems should be explained, examined and approved, first of all in the competent intergovernmental bodies before they could be incorporated in the Organization's plans. Proposals which might jeopardize the integrity of the Charter should be addressed with the utmost caution.

34. Economic and social progress did not depend exclusively on solving the problems enumerated in paragraph 11, and the organs having legal and technical competence to tackle the debt problem were the institutions established at Bretton Woods. Moreover, in paragraph 11 and other passages no mention at all was made to the role of free markets in connection with primary commodities and resource flows, which lessened the usefulness of that analysis as a basis for specific and concerted international action. Paragraph 12 alluded to the reorientation of the centralized planning economic models which had proved so ineffectual in the past, but at the same time it advocated "world economic management" which was nothing else but centralized planning at the international level.

35. His delegation also did not agree with the references in part II, section C, to the new international economic order, the Charter of Economic Rights and Duties of States and the right to development, and also to the codes of conduct on the transfer of technology and transnational corporations. Those concepts had the effect of encouraging differences of opinion between States, whereas the medium-term plan ought to be a pragmatic forward-looking document whose structure would enable all countries to work together for the economic and social development of all countries. In conclusion, he welcomed the reference in paragraph 60 to economically feasible opportunities, but did not believe that the United Nations had a role to play in that connection.

36. Mrs. HJELT AF TROLLE (Sweden), speaking on behalf of the Nordic countries, stressed the growing importance of international co-operation for solving world economic problems and supporting the efforts of the developing countries to achieve sustainable growth. As the draft introduction to the medium-term plan showed, such international co-operation had already become so extensive that the resources of the world organization did not suffice. The setting of priorities became necessary. Efforts must be concentrated on areas where multilateral action was

(Mrs. Hjelt Af Trolle, Sweden)

important for achieving practical results. It would also be essential to improve dialogue and co-ordination between the United Nations and the specialized agencies, and between the agencies themselves. Those notions and priorities were not sufficiently stressed and elaborated upon in the draft introduction. For example, the chapter entitled "Economic and social advancement of all peoples" was more a catalogue of activities than an analysis of the problems. Such an approach was not as vigorous as the Nordic countries would like.

37. They would prefer a stronger emphasis on the ideas and priorities put forward in the important report by the World Commission on Environment and Development. There was also a need to retain flexibility in the medium-term plan in order inter alia to take into account the results of the work on the new International Development Strategy and its implementation. Questions relating to organizational and administrative efficiency should be further highlighted in the draft introduction in order to enhance the credibility of the system both among Governments and public opinion in general.

38. Mr. PINZON (Colombia) stressed the importance of document A/43/329. He understood its aim to be to achieve a condensation rather than a reduction of the priority activities of the Organization. Nevertheless, in view of the close interrelationship between the different variables affecting and limiting development, a distinction should be established between the economic and social aspects of development. The medium-term plan should gather together the results of the discussions taking place at the present session of the General Assembly on all the important economic issues and also take into account the provisions of Economic and Social Council resolution 1988/77.

39. The medium-term plan must be condensed without in any way diminishing the activities of the Organization. As already pointed out, it must set forth the priorities which were being established implicitly in the negotiations on the various issues and it must be sufficiently flexible to reflect the interdependence of the economic and social aspects of development.

40. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that, without going into details, he would confine himself to a number of clarifications in reply to the comments made during the interesting discussion, in which emphasis had once more been laid on the importance, already mentioned in the draft introduction (A/43/329, annex), of improving the dialogue between the Secretariat and the various committees. For the Secretariat the essential contribution had been the comments made by Member States on the content of the draft, i.e. on the policies which the United Nations should follow in the 1990s. All the remarks made on the draft introduction - and consequently on the medium-term plan itself - would be taken into account by the Secretary-General when he submitted a revised version of the plan to Member States.

41. As already mentioned, the really important thing was the quality of the programmes. With regard to the structure, he referred particularly to the statement made by the representative of Tunisia. That statement reflected the discussions which had been held in particular at the second regular 1988 session of

(Mr. Baudot)

the Economic and Social Council and the continuation of the twenty-eighth session of CPC. For example, the division between economic problems and social problems, which had been criticized, had been made in response to a suggestion put forward in CPC, although obviously it had been accepted by the Secretariat. However, what was really important was the content at the programme level, before its inclusion in a specific major programme. For example, the population programme was included in major programme IV, on economic questions, while the programme on the advancement of women was part of major programme V, on social questions. However, in both cases the essential question was the integration between the economic, social and political perspectives which should be present in each one of the programmes.

42. Some of the specific suggestions made by the representative of Tunisia would be reconsidered during the discussion of the report to be submitted by the Second Committee to the Fifth Committee. In fact, the States themselves must discuss them, although the Secretariat was of course ready to explain the reasons why it had formulated the structure presented. Turning to one point in particular, he explained that the reason why the plan did not include explicitly any programmes devoted to agriculture, industry, transport and so on was because of the need to co-ordinate the work of the United Nations with the work of the specialized agencies and to avoid duplication. There were no special programmes on agriculture and industry or on employment and health because all those questions related explicitly to the mandates of determined specialized agencies. In programmes 13 (Overall issues and policies, including co-ordination) and 14 (Global development issues and policies) the general and co-ordination aspects of those and other issues were fully dealt with. Moreover, all the programmes at the regional level would contain subprogrammes relating to agriculture, industry and so on.

43. Finally, it would not be appropriate to revise document A/C.5/43/CRP.4 because it was merely a working document provided for Member States to facilitate the discussion. The comments made on the structure itself would be taken into account by the Secretariat in the preparation of the final version. Similarly, with regard to the introduction, the final publication would not be made until Member States had before them the medium-term plan, i.e. in 1990.

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.2/43/4, 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 (vols. 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 ECONOMIC AND SOCIAL DEVELOPMENT (continued) (A/43/554)

44. Mr. BORG OLIVIER (Malta) said that his country had actively participated in the debates on trade and development ever since the United Nations Conference on Trade and Development (UNCTAD) had begun in 1972 to identify the problems of island developing countries. Among other things, in May 1988 his country had hosted a meeting of the UNCTAD Group of Experts on Island Developing Countries, which had contributed to the preparation of a comprehensive report on the subject. The report of the Secretary-General contained in document A/43/513 stated that the problems of island developing countries were not limited solely to their insular character and small size; the preamble to General Assembly resolution 41/163, for example, listed various special problems that affected those countries. While it was true that, taken separately, such problems were also found in other developing countries, what was unique about the island countries was that practically all such problems existed and had to be faced simultaneously. The international community must transform the recognition of the special characteristics of those countries into special support measures and assistance. The island developing countries, for their part, were doing their best to help themselves.

45. Island countries could not resign themselves to remaining totally isolated from the outside world, and in international trade they had to compete with countries which were in a more advantageous position. Another handicap facing island developing countries was their highly limited internal market; accordingly, the appropriate regional institutions and trading blocs should open their doors further to those countries. In the case of Malta, although 71 per cent of its exports went to the European Community, their volume was such that they in no way constituted a burden on or adversely affected the Community. Small island developing countries expected special treatment to solve their needs and problems. Perhaps the time had come to examine why the gap between the developed and the developing countries was widening. It might be that some developed countries were causing a "crowding-out" effect on the rest, particularly as a result of their protectionist measures.

46. While island developing countries were so vulnerable because of the multitude of problems they faced, given their small size, a little assistance and co-operation could go a long way. Any resulting improvements should not be undermined by the immediate withdrawal of concessional terms to which they might be entitled. Per capita GNP criteria could not be considered on their own without reference to other development needs unique to island development countries. There was an urgent need to establish a set of more realistic units of measurement - for example, quality of life indicators - that reflected how successful the United Nations had been in promoting Article 55 (a) of the Charter, which called for higher standards of living and conditions of economic and social progress and development. His delegation supported the specific suggestions made on that point by other island developing countries.

47. His country looked forward to continued support from the United Nations system and was grateful for all the assistance it had received thus far from its various organs and bodies, including UNDP, in its efforts to attain its development goals.

(Mr. Borg Olivier, Malta)

He expressed regret that, despite its good work, the United Nations Conference on Trade and Development had not even dedicated a sub-section to the development needs of the island developing countries as a group in its Trade and Development Report, 1988. UNCTAD should continue to perform its role as the focal point for efforts in favour of island developing countries and should strengthen that role. The UNCTAD/GATT International Trade Centre might perhaps be assigned part of the task of promoting further action-oriented programmes to supplement the work of UNCTAD in that regard. There was no reason why the island developing countries should not be supported so that they could continue to make progress on the same road to development which the developed countries had already travelled.

48. In conclusion, his delegation hoped that the Committee would adopt by consensus the draft resolution on specific measures in favour of island developing countries to be submitted by the Group of 77.

49. Mr. ZVEZDIN (Union of Soviet Socialist Republics) said that UNCTAD had an important role to play in settling such problems of trade and development problems as the uneven pace of economic growth, the widening gap in levels of development, continued deficits in the trade and payments balances of many countries, the growing external debt, currency fluctuations, the falling prices of raw materials and protectionism in its traditional and new forms. The results of the 1988 session of the Trade and Development Board formed a sound basis for translating the main provisions of the Final Act of the seventh session of UNCTAD into reality with a view to removing all impediments to normal development in the trade and economic sphere. In view of the world's growing interdependence, it was time to start elaborating new recommendations which offered alternatives for solving the most acute problems of international trade and economic relations on the basis of an in-depth analysis of the processes unfolding in that sphere.

50. UNCTAD had an important role to play in normalizing world markets for raw materials, and his delegation noted with satisfaction that the Common Fund for Commodities would enter into force in the near future. UNCTAD must make the Common Fund operational, in full conformity with its mandate.

51. UNCTAD activities should embrace all world trade flows, including trade between socialist and developing countries and between market-economy developed countries and socialist States. The programme for trade and economic co-operation among countries with different social and economic systems being elaborated by the Trade and Development Board would constitute an important contribution to such efforts. That programme could encompass the questions of expanding the international division of labour; developing new forms of co-operation, inter alia, East-South co-operation, a dimension which would include production and industrial co-operation; setting up joint ventures; concluding compensatory trade and payments agreements, etc.

52. Reform measures recently adopted in the Soviet Union, such as increasing the independence of enterprises and their access to foreign markets, seeking comparability between domestic and world prices and adjusting the rouble currency

(Mr. Zveadin, USSR)

rate with the long-term objective of making it convertible, had heightened the country's interest in the activities of GATT. The Soviet Union was also formulating other measures which would create concrete opportunities for its effective integration into the multilateral trade system which operated on the basis of the rules and principles of GATT. That would also contribute to promoting the universality of the Agreement.

53. Among new trends in international trade and economic relations, special mention should be made of the integration processes that were taking place at different levels in the European Economic Community and the Council for Mutual Economic Assistance. It was important to ensure compatibility between the two economic entities and their member countries. In the immediate term, the most important concern was to avoid retreating into isolation or posing obstacles to the strengthening of multilateral economic ties among European States. His delegation trusted that the development of such ties would continue to take an increasingly positive turn.

54. His delegation attached great importance to the United Nations activities relating to the study of long-term trends in economic development. The causes of the changes taking place in the world economy as a whole, in developing countries in particular, and in the fields of ecology, energy, and science and technology must be understood so that the members of the international community could co-ordinate mutually acceptable measures in order to head off negative consequences. His delegation wished to emphasize the attention given to the human factor in the report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000 (A/43/554). It had been possible to transcend the economic formalism of much of the economic debate and research of past years, which had been restricted to growth rates, investments and other similar indicators. For that reason, the main object of development, i.e. improving the conditions of human life, had almost always been missed. The conclusions of the report should be borne in mind in defining the framework for long-term multilateral socio-economic co-operation. His delegation concurred in particular with the conclusion that disarmament and, above all, renunciation of the development of new types of extremely costly weapons, had great potential for liberating resources for development. That also held true for conventional weapons, which consumed a considerable portion of the budgets and foreign currency reserves of developing countries.

55. There must be no delay in addressing the question of strengthening international economic security and reducing the risk of a large-scale crisis in the world economy or of the internal economic difficulties of some countries extending to others. Progress in the political dialogue created favourable conditions for expanding co-operation in seeking solutions to the most acute problems in contemporary international trade and economic relations. The international community must not miss that opportunity.

56. Mr. KRAMER (Canada) said that his country did not hold a rigid position with respect to the fourth United Nations development decade or the new international development strategy. However, it was sensitive to the risk of adopting unrealistic goals and empty slogans which could have the effect of harming the Organization's credibility and devaluing its work in the economic and social fields. Even so, Canada considered it worthwhile to try to formulate an appropriate international development strategy. The characteristics of Canada's own economy made it particularly mindful of the world's growing interdependence. Canada itself attempted to adopt long-term policies and recognized the validity of arguments for adopting a similar approach to multilateral economic and social co-operation.

57. A new international development strategy, if it was to be at all useful, should have certain characteristics. First, it should be based on a judicious selection of objectives and targets so as not to become obsolete too rapidly. Similarly, it should attempt to foster public comprehension, consensus and support with respect to international economic issues, instead of serving as a blueprint for bureaucrats. The strategy should keep the human dimension of development clearly in focus and not fail to reflect the concerns of all countries, whether industrialized or developing. Its philosophy must take into account the factors which stimulated economic growth, including entrepreneurial activity, which his delegation considered vital.

58. Any strategy must focus special attention on targets. For example, the official development assistance/gross national product ratio had worked its way into the lexicon of national and international administrations, where it was regarded as a realistic target. It was essential to be flexible and avoid selecting utopian targets. The points made by the spokesman for the Group of 77 on the preparatory process for the strategy seemed sensible. In initiating the process, it would be important for the General Assembly to formulate appropriate guidelines, based on the suggestions already made, so that the preparatory machinery for the strategy would not function in a vacuum.

59. Mr. DJOGHLAF (Algeria) said that whereas the industrialized countries were experiencing their most extended phase of economic growth, the developing countries, by contrast, were in the midst of the longest economic standstill they had known since independence. That disparity, which widened the North-South gap, highlighted the fact that the prosperity of some fed on the crisis of others, in other words, that the few were thriving at the expense of the many. Aware of the imperative need to put an end to that dangerous situation, the General Assembly had decided, in its resolution 42/193, that an international development strategy for the fourth United Nations development decade should be prepared and that the task of preparing it should fall to the Secretariat. However, although the mandate was clear and the language precise, the Secretariat had felt the need to question the appropriateness of proclaiming such a strategy.

60. Such vacillation, which was contrary to the spirit and to the letter of the resolution in question, could only be explained by a fear that the failure of an international development strategy would damage the credibility of the United

(Mr. Djoghlaïf, Algeria)

Nations. Failure would certainly be detrimental as far as the future of multilateral co-operation was concerned, and would cause some irreparable damage; nevertheless, the adoption of resolution 42/193 was an unequivocal sign of the collective determination to fight for the ideals that had inspired the Charter.

61. In that resolution, the General Assembly indicated the need to assess the International Development Strategy for the current Decade. In that connection, the Ministers for Foreign Affairs of the Group of 77 had openly admitted that the 1980s had been a completely lost decade as far as development was concerned. Although that underlined the urgent need to adopt corrective measures, implementation of such measures was proving a slow process. It was important, therefore, to have a new strategy that would both serve as a suitable multilateral instrument to make up for lost time and provide the impetus for the development process in the latter part of the twentieth century so that, on the threshold of the next century, the vast majority of people would be able to meet their essential needs and to realize their legitimate aspirations.

62. The new strategy must aim, above all, to translate into action the international consensus on development that the United Nations had sought to forge in recent decades. That called, inevitably, for the will to attenuate, if not eradicate, structural obstacles to the development process. If the current decade was characterized by a coming to terms with international economic disorder, the coming decade should be marked by adjustment to a new international economic order, generating equitable economic growth for all. The new strategy should serve as an instrument of collective economic progress.

63. Mr. SCHLEGEL (German Democratic Republic) recalled that, in resolution 42/175, the General Assembly welcomed the Final Act of the seventh session of the United Nations Conference on Trade and Development (UNCTAD). He stressed the need to translate into practice the policies and measures set out in that document. While it was encouraging that the Trade and Development Board addressed increasingly serious problems affecting the world economy, such as protectionism and structural adjustments, it should play a more active part by providing a forum for result-oriented negotiations.

64. The instability that had marked international trade in recent years had introduced a number of imponderables into international economic relations, with particularly adverse consequences for the developing countries. The Trade and Development Board's work on protectionism, structural adjustment and the negotiations in the Uruguay Round was, therefore, particularly significant. In those areas, UNCTAD could make an important contribution to the development of international trade, in addition to adopting measures to promote trade between States with different social and economic systems.

65. Although the Trade and Development Board had not achieved the results expected of its analysis of the growing interdependence in the world economy, his country was convinced that a greater understanding of that issue was a vital prerequisite for genuine progress to be made with regard to the indebtedness of the developing

(Mr. Schlegel, German Democratic Republic)

countries and the particularly complicated situation of the African States and least developed countries. Accordingly, he welcomed the fact that the UNCTAD secretariat had already begun a number of activities in preparation for the Second United Nations Conference on the Least Developed Countries, due to take place in 1990.

66. The socialist countries had made a joint statement concerning the preparation of an international development strategy for the 1990s. His delegation wished to point out that it agreed entirely with the Secretary-General's observation that "a strategy document to be negotiated in present circumstances should be of global scope and should deal with the concerns of both developed and developing countries" (A/43/376). As far as his country was concerned, the new strategy should be geared to the achievement of three objectives. Firstly, national strategies aimed at generating growth and development, particularly "development with a human face", should be promoted. The basic principle must be that each country was responsible for its political and socio-economic development within the framework of the system most acceptable to it. Secondly, a stable international environment conducive to the economic and social progress of all States should be created. Lastly, it was important to strengthen multilateral action to deal with matters such as protection of the environment, rational utilisation of available resources and early identification of newly-emerging international economic problems.

67. In line with the points he had made, his delegation was prepared to support the proclamation by the General Assembly, at its current session, of the 1990s as the Fourth United Nations Development Decade, and would co-operate constructively in the preparation of an international development strategy for that period.

68. Mrs. RAVOLOLONDRAVY (Madagascar) recalled that, in his report on the work of the Organization, the Secretary-General had stressed the fundamental importance of promoting the expansion of international trade as a determining factor in development. Regrettably, the efforts made in that area had fallen short of the expectations of the international community because, in spite of the reactivation of international trade, the economic achievements of the developing countries continued to be disappointing as a result of the increased protectionist measures, low commodity prices and the external debt problem.

69. The gravity of the situation, which had been underlined at the recent Conference of Foreign Ministers of the Movement of Non-Aligned Countries and at the twelfth annual meeting of Ministers for Foreign Affairs of the Group of 77, was a consequence of structural imbalances in the current trading system, which were keeping the developing countries at a perpetual disadvantage. Most countries failed to honour the commitments undertaken in previous multilateral negotiations with regard to standstill arrangements, the removal of tariff and non-tariff barriers, improved access to markets, the strengthening of the Generalized System of Preferences and the dismantling of protectionism, commitments which were all enshrined in the Final Act of the seventh session of UNCTAD. Moreover, slow progress in trade negotiations on matters of major concern to the developing countries was a serious obstacle to the participation of the latter in international trade.

(Mrs. Ravalolondratavy, Madagascar)

70. No significant progress had been made with regard to international co-operation in commodities. That sector was of great importance to the African countries, which depended, to a large extent, on a small number of agricultural and mineral commodities, and whose participation in world trade in manufactured goods and services was still very limited. While encouraging decisions had been taken at the Toronto Economic Summit with regard to debt relief for the poorest countries, only general observations had been made in connection with trade matters, regardless of the fact that the reactivation of international trade was a prerequisite for any solution to the external debt problem.

71. Her delegation wished to reiterate the need for concerted international action to harmonize trade policies and practices, in accordance with the principles of GATT. The GATT mechanism must be strengthened with the interests of the developing countries in mind, and the principles of the generalized system of preferences must be reaffirmed so that the concepts of multilateralism, non-reciprocity and non-discrimination could regain the significance they had lost in recent years and the developing countries could be guaranteed differential and more favourable treatment. Implementation of the provisions of the Final Act of the seventh session of UNCTAD would also promote the establishment of an economic climate more conducive to international trade. In that connection, the prospect of the entry into force of the Common Fund for Commodities constituted a positive step towards the implementation of the Integrated Programme for Commodities, which nevertheless called for additional efforts to conclude international agreements on commodities, strengthen compensatory financing mechanisms and increase the allocation of resources for mechanisms to stabilize export earnings.

72. The efforts and sacrifices made by African countries to implement the United Nations Programme of Action for African Economic Recovery and Development had been compromised by the international community's lack of support. Efforts must be made to encourage the prompt implementation of the recommendations of the Ad Hoc Committee established to review and appraise the Programme of Action. It was also to be hoped that UNCTAD would make an effective contribution to the implementation of Trade and Development Board decision 363 (XXXV), adopted by the Board at its thirty-fifth session, which provided for technical assistance activities to diversify African exports.

73. The promotion of economic co-operation among developing countries was a factor which could foster the growth of those countries. She welcomed the signing at Belgrade, in April 1988, of the agreement on the Global System of Trade Preferences, which would help to introduce multilateralism into relations among developing countries. Nevertheless, as those countries endeavoured to promote collective self-reliance they must also be increasingly involved in multilateral negotiations. In that connection, and in the context of the review of the Uruguay Round of negotiations to be held at Montreal, it was of fundamental importance that tangible results should be achieved in the areas of greatest interest to the developing countries. Given the importance of agricultural and tropical products, her delegation urged the international community to support the recommendations made by the World Food Council at its fourteenth session with regard to the benefits that could accrue from liberalized trade in those products and special and differential treatment for the developing countries.

74. Mr. VRAALSEN (Norway), speaking on behalf of the Nordic countries, said that, as the Committee for Development Planning had noted, living conditions in the third world had been somewhat improved during the 1980s, a fact borne out by statistics on life expectancy, infant mortality, nutrition and school enrolment. However, considerable disparities existed between regions, and the serious economic problems facing the developing countries, together with population growth, appeared to have interrupted those trends and threatened to reverse them.

75. Abrupt changes in the international economic environment had quickly rendered the objectives of the International Development Strategy for the Third United Nations Development Decade irrelevant. The Nordic countries agreed with the Secretary-General that a comprehensive assessment of that Strategy should not be undertaken. However, a brief assessment might be made as part of the preparations for a new strategy for the 1990s, which could be useful if it was prepared carefully and with a qualitative rather than a quantitative approach.

76. The current decade had been characterized by the adoption of short-term measures to tackle the most urgent problems. Global economic factors, which were largely beyond the control of individual countries, had become increasingly important. There had been a growing tendency for countries to develop unequally and for poor countries and whole segments of the population in many countries, particularly in rural areas, to be left out of the development process. Projections of population growth were alarming and implied a worsening of problems related to the environment, natural resources, education, health and employment. All those considerations pointed to the need to formulate a new strategy to promote international co-operation for sustainable development.

77. The new strategy must be formulated along new lines and should be regarded as a guide for action by the Governments of developed and developing countries on behalf of their peoples, the international community and future generations; at the same time, it must accommodate the different needs of individual countries, subregions and regions. The strategy should not set global economic targets, although a monitoring mechanism based on agreed indicators should exist to keep track of overall progress and register trends that might give cause for concern. The Nordic countries believed that the targets set by the United Nations for official development assistance, particularly to the least developed countries, remained valid and should be upheld. Since about 70 per cent of all net financial resource flows to developing countries currently came from official sources, it was extremely important that all donors should meet the scheduled targets. The decision to prepare a strategy had long been delayed. It ought therefore to be based on a relatively brief consolidated report by the Secretary-General and the relevant parts of such materials as the texts on population and development adopted at Mexico City, the Nairobi Forward-looking Strategies for the Advancement of Women, the Final Act of the seventh session of UNCTAD, the United Nations Programme of Action for African Economic Recovery and Development, the Environmental Perspective to the Year 2000 and Beyond, and the report of the World Commission on Environment and Development. The results of the mid-term review of the Uruguay Round, inter alia, should also be taken into account. Preparations for the strategy for the fourth decade should be linked, where appropriate, to the

(Mr. Vraalsen, Norway)

preparations for the 1990 conference on the least developed countries. The preparatory process should begin in January 1989 with an agreement on constructive guidelines for the content of the strategy and the modalities of its elaboration. The Bretton Woods institutions should participate from the outset. It was imperative that the Governments of Member States should be involved in the process in a way that would allow them to feel committed to the end result.

78. The Nordic countries believed that the strategy must take into account the interests and responsibilities of all countries in an integrated and long-term perspective. Increased financial flows to developing countries were a vital condition for growth. Other measures, such as debt relief, the opening of markets and improved terms of trade for developing countries, should be considered as important elements in the elaboration of the new strategy, the ultimate objective of which should be human development. That concept must be thoroughly reviewed so that it reflected genuine concern for people and development. People should be the end, and not the means, in the development process. Accordingly, the principal thrust of the new strategy should be the development of human resources and the mobilization of the underutilized potential of the rural and urban poor, especially women. New approaches were required to stimulate self-propelled, self-sustained and self-supported development by the poor so that poverty could be eradicated. Above all, the new strategy must focus on key issues, which in turn would give a boost to development co-operation and engender broad public support.

The meeting rose at 1.15 p.m.