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PREPARATION OF A THIRD INTERNATIONAL DEVELOPMENT STRATEGY

Note by the Secretariat

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1. Background information

At its last two sessions, the General Assembly adopted resolutions 42/193 and 43/182 on the preparation of a new International Development Strategy for the fourth United Nations development decade. In the first of these resolutions, the Secretary-General, in consultation with all the concerned organs and organizations of the United Nations system, is requested to provide information which would be appropriate for the preparation of a new international development strategy and for the assessment of the present strategy. The strategies prepared pursuant to that mandate resulted in the adoption, in December 1988, of the second General Assembly resolution,^{1/} in which that body confirmed its intention of adopting an international development strategy for the 1990s.

This resolution does not specify the scope or the content of the strategy; instead it concentrates on procedures relating to its formulation and adoption. In that connection, it creates an ad hoc plenary committee for the preparation of the new Strategy. That committee, which will meet for the first time in March 1989, is to prepare a report for the next session of the General Assembly, with a view to the adoption of the strategy in 1990.^{2/}

The ECLAC Secretariat, for its part, in fulfilment of the first of the resolutions referred to above, prepared an information document for the twenty-second session of the Commission, held in Rio de Janeiro in April 1988.^{3/} As a result of the discussion held in this connection during the twenty-second session, the member countries adopted resolution 498(XXII) in which the ECLAC Secretariat is requested to prepare the relevant information in time for the forthcoming meetings of CEGAN and ECLAC (see annex).

The purpose of this document is therefore twofold. On the one hand, in compliance with the mandate described above, it is being submitted to the twentieth session of the ECLAC Committee of the Whole and to the fifteenth session of CEGAN, which precedes it. On the other hand, it forms part of a process which is taking place within the framework of the United Nations Secretariat for the purpose of helping to clarify the scope and content of the International Development Strategy which may be adopted by the governments of member States.

2. The second International Development Strategy: assessment and main assumptions

The first United Nations Development Decade (1961-1970) was not accompanied by an international development strategy, since it was indicative rather than normative in character. However, as a result of the experience acquired in the 1960s, the international community reached the conclusion that it would

be desirable to adopt a strategy for the second United Nations Development Decade. Consequently, the General Assembly adopted the first International Development Strategy to cover the second United Nations Development Decade (1971-1980), while the second strategy corresponded to the third decade (1981-1990).^{4/}

It seems to be generally agreed that the second International Development Strategy did not perform the important functions attributed to it by its authors. Its objectives and goals were not attained; indeed, the economic and social evolution of the 1980s has followed a pattern opposite to that proposed. It should also be noted that the strategy had the form of a project for effecting profound changes in economic relations at the world and developing-country levels and covered a very wide variety of subjects. In many respects, the time needed to complete such vast and far-reaching changes was far in excess of a period of only 10 years. Finally, the general guidelines contained in the strategy have had no counterpart in terms of commitments by governments, of the actions of the latter at the level of the international community, or of practical measures at the national level to comply with the objectives laid down.

In view of the fact that the present conditions seem even less propitious than those which obtained when the second IDS was adopted, the question arises as to what prevented the achievement of the strategy's objectives. In this respect, it may be recalled that the basic presupposition was that all the governments were agreed on the need to reduce the many economic and social disparities between the member countries of the Organization. The objectives laid down with regard to economic growth, productive change and income distribution stemmed from that presupposition. Another assumption was that there were profound interrelationships between the developing and the developed countries. It was also felt that those relationships were far from symmetrical and that in general they made the developing countries subject to the effects of decisions taken in the developed countries. Consequently, among the objectives adopted were those of ensuring greater participation for the developing countries in decisions affecting the international economy and of making real transfers of resources from the richer to the poorer countries. Finally, the IDS was based on the assumption that the multilateral system would have a leading role in the attainment of the strategy's principles and objectives.

With regard to a possible third international development strategy, it is worth considering to what extent these presuppositions and objectives remain valid today or, alternatively, whether they enjoy full and effective support. The following observations are included as background information for future attempts to reply to that question.

a) Greater participation by the developing countries in economic, monetary and financial decisions which affect the world economy is not yet part of the agenda of most international meetings. On the contrary, in many international bodies proposals have been made which tend to strengthen the influence of the developed countries in such decisions.

b) During the 1980s, the net transfer of real and financial resources has been (and still is) negative for many developing countries, and

especially those of Latin America and the Caribbean. Thus, in practice, the objective of transferring a percentage of the product of the developed countries to promote the development of the remaining countries is no longer a valid subject for debate. The majority of the proposals made in the developed countries on ways of coping with the problem of the external debt of the developing countries call for reducing, but not eliminating, the negative transfer.

c) The responsibility of the developed countries with respect to the application of policies with potentially negative effects for the developing countries is a subject on which a wide variety of views are held. From one perspective, it is affirmed that although the present international context does not display the extraordinary growth rates experienced in the post-war period, it still offers good opportunities for countries which adopt appropriate policies. According to that point of view, the responsibility of the developed countries is confined to the use of credit policies for supporting the structural adjustment programmes which developing countries should adopt in order to secure fuller incorporation into the international economy. Those who see the problem from a different angle, however, maintain that in the present international context there are certain policy instruments, such as interest rates, protectionist measures and the application of conditionalities to countries negotiating external loans, which constitute difficult obstacles to the achievement of development. These obstacles are reflected in the fact that the developing countries must transfer their surpluses abroad through debt servicing, and in the deterioration in their terms of trade. Since such transfers amount to an appreciable percentage of the national income of the developing countries, it would seem that unless the surpluses are restored or there is a favourable change in the external situation it will be impossible for these countries to get back onto the road to development.

In view of the foregoing, a consensus is now arising that, in general, the usefulness of a new international development strategy depends on the possibility of finding a suitable way of making it different from the previous strategy and endowing it with real significance in the light of the present state of the world economy. There is still no consensus, however, regarding the content and scope of such a new-model international development strategy.

3. The definition of a new international development strategy in the present world context

a) The international climate with regard to multilateralism

Experience with the second International Development Strategy and the situation prevailing up to a short time ago as regards multilateralism have created a climate of skepticism in many circles concerning resolutions of this kind. This skepticism has been heightened by the instability and deterioration of the international context, the weakening of multilateralism and the consequent strengthening of bilateralism, and the dissemination of

ideas which have affected government action and policy co-ordination as well as the financing and activity of international bodies.

During the past year, however, events of a different tenor have taken place which have to some extent changed the expectations concerning this kind of exercise. The most important positive occurrences are linked with the significant achievements of the Organization at the political level, where it has proved to be a forum in which valuable international agreements relating to the solution of conflicts and the quest for peace have been reached or signed in a generalized climate of détente between the Great Powers. In so far as there is renewed confidence in multilateralism and the United Nations again becomes the natural environment for agreements in this field, an international strategy can play an important complementary role to peace-keeping efforts, as it can provide a way of tackling the challenges facing the international community as regards development.

b) The relevance of a new international development strategy

During the present decade, the severe social, political and economic problems experienced by most of the developing countries have persisted and increased. This fact constitutes one of the main causes for concern at the present time. On the basis of the preliminary data available on the economic evolution of the developing countries, it may be affirmed that in many of them, especially those of Africa and of Latin America and the Caribbean, there has been a further drop in per capita income, while a further increase can be expected in the difficulties experienced at the social and political levels. Moreover, prospective studies prepared by the United Nations Department of International Economic and Social Affairs 5/ and by ECLAC 6/ confirm that, if the conditions characteristic of the present international context continue and reforms are not made at the national level, there will be a tendency towards the stagnation or very slow growth of the per capita product and a further deterioration in the social conditions of large groups of the population. Were such a situation to persist, it would give rise to serious obstacles to the processes of democratization in which the Latin American countries are now engaged.

Three conclusions relating to the relevance of a new strategy may be drawn from the foregoing. The first conclusion is that during the 1980s the international community has failed to come up with mechanisms which would make it possible to put an end to the present crisis or to prevent a similar crisis from arising in the future. Secondly, medium- and long-term strategies have been relegated to the background compared with the problems of the immediate present. Finally, the seriousness of the situation at the end of the 1980s and of its actual and potential consequences suggests that a reaction on the part of the international community is essential in order to give a different turn to the situation of many of the developing countries. Thus, while it seems doubtful that a strategy similar to those which have gone before can resolve the problems experienced at present, the definition of a strategy capable of organizing an international effort to meet this challenge could well be a task of the greatest significance for the United Nations.

There are various reasons for making this statement. In the first place, today more than ever the economic policies adopted in a group of developed countries can affect not only the behaviour of the economies of that group but also, and above all, the world economy as a whole. It may be noted in this connection that the growing internationalization of various economic activities and the extension of the means and channels of communication among the various economies in the world call for a higher level of co-operation and co-ordination. Secondly, the formulation of a new strategy could provide a good opportunity for repostulating the role to be played by the multilateral system in the 1990s, as the strategy could provide a common framework for international organizations and help them to support each others activities. Thirdly, and in line with the ideas advanced above, an exercise of this type would lend greater political force to the functions of the United Nations at the economic and social level. Fourthly, such an approach would provide an apt framework for recovering the longer time horizon which is vital for tackling the task of development. Finally, a suitable international development strategy would provide an opportunity for restoring development to its position as one of the top priorities of the world economy. Gradual progress in this direction, together with the significant achievements recently made in the overcoming of conflicts and reduction of tensions among States, would do much, as a new millennium is about to open, to put mankind on the road towards fulfilling the objectives which the founders of the United Nations enshrined in its Charter.

4. Main topics for discussion

Taking into account the remarks made above, the preliminary debates and the first documents prepared concerning the formulation of a strategy for the 1990s, some thoughts are given below with regard to a set of topics on which it is considered important for ECLAC to take a stand with a view to preparing a contribution that will be of use to the main bodies engaged in formulating the strategy, including in particular the ad hoc Committee referred to at the beginning of this note.

a) The basic approach of the International Development Strategy

The formulation of an international development strategy within the United Nations must necessarily be a multilateral task. In the previous Strategies this multilateral character was given a particular meaning in that it was taken to refer to combined action by all countries to correct the disadvantaged position of the developing countries with respect to the developed nations. For that reason, the interests of the latter countries were not explicitly taken into account, except in so far as it was stated that a more equitable international order would favour all countries. It remains to be seen whether a new strategy will still follow this line of reasoning. Another approach could be to examine and formulate proposals on the commitments that should be assumed by all the parties (developed countries, developing countries and multilateral bodies) in order to reach certain objectives. It might also be well to clarify whether the aim is a strategy to promote the development of the Third World or an instrument for

the orderly expansion of all parts of the world economy, with particular emphasis on overcoming the problems peculiar to the developing countries.

The fact that the focal point of the past strategy was the developing countries did not prevent the inclusion in it, either openly or implicitly, of certain assumptions as to the objectives and policies of the developed countries. Thus, it was assumed and accepted that the economies of those countries would continue to develop and grow and that that would allow world trade to expand at a rate which would facilitate the export goals of the developing countries. With regard to policies, the strategy called for some explicit changes, such as the reduction of protectionism, and also some implicit ones, such as action to guarantee an external environment favourable to the economies of the developing countries in the spheres of finance and prices.

This line of argument assumed that the developed economies had possibilities and potential of such an order as to permit them to adapt to the objectives of the Strategy without incurring excessive costs. This general assumption was not accompanied by any explicit assessment of the consequences which the attainment of such a diverse collection of objectives and targets might entail in many areas of activity. In retrospect, it is difficult to imagine how a group of countries could firmly commit themselves to a programme whose consequences were not made sufficiently clear at the time.

Although experience with the second International Development Strategy showed that the interests of the developed countries cannot be left out of consideration in a document of this kind, their inclusion nevertheless raises many difficulties of a political as well as a technical nature. It would not be acceptable, within the framework of the United Nations, either for the objectives of the developing countries to constitute the sole focus of the Strategy or for priority to be given to those of the developed countries. Furthermore, when this subject was under discussion in the Second Committee during the forty-third session of the General Assembly, there was some degree of consensus that the United Nations' responsibility is not to order the functioning of the world economy, but rather to promote economic development. That being so, it was argued that a new international development strategy should focus primarily on the problems of development.

Nevertheless, the policies adopted by the developed countries to further the orderly growth of the world economy undoubtedly affect the performance of the developing economies. Thus, the new Strategy, which should in the main be focused on the developing countries, might appropriately also, through diverse means, take account of both the interests and the obligations of the developed countries.

b) The possible range of issues to be covered by the IDS

A decision will also have to be taken on whether the range of issues to be covered by the new strategy should be all-embracing or more selective. Consultations undertaken within the United Nations system suggest that the best approach would be to select a limited number of issues of key strategic

significance. Among these are the reduction of poverty; health; employment; food security; the advancement of women; population policies; and environmentally sustainable development.^{7/} It is not easy, however, to establish a balance between a selective and a wide-ranging approach.

In this regard, as has been pointed out in many documents, the narrowing of the economic and social gaps between the developed and the developing countries is one of the main objectives of the Organization. Consequently, the level and growth of certain aggregate values, such as the gross product, are elements of assessment which are difficult to exclude, since they permit the evolution of the disparities in question to be examined in summary form. The same is true of the question of population, which has implications for practically all aspects of development. An international strategy which is concerned only with sectoral aspects would therefore suffer from serious deficiencies. On the other hand, the foregoing paragraphs have clearly brought out the difficulties involved in achieving universal agreements which permit macroeconomic aspects to be dealt with at the world level. In practice, the scope of a new strategy for the 1990s should include some aspects related to the achievement of global objectives, such as growth in the developing countries, together with a more detailed treatment of such priority issues as are finally selected. From the perspective of Latin America and the Caribbean, these priority issues must necessarily include the handling of the external debt in particular, and development financing in general.

c) The nature of the goals and objectives

The range of issues to be dealt with under a new IDS is closely related to the kind of goals and objectives that are set. The decision regarding the latter is fundamental and will have an impact on the nature and effectiveness of the strategy. In the first place, a distinction may be drawn between aggregate and synthetic objectives, such as growth in the product or changes in the distribution of income or wealth, and more specific objectives, such as those related to access by given percentages of the population to certain services, as in the case of water use or the prevention or eradication of a disease. A strategy may conceivably combine both types of objectives. Generally speaking, it may be supposed that the fulfilment of the first set of objectives facilitates the attainment of the second. Moreover, the specific objectives usually require the existence of an organization, programme or set of specialized activities. It should be recalled that aggregate objectives were emphasized during the second IDS. Furthermore, the objectives are usually separated according to whether they are of an economic, social or political nature. In this regard, the concept of integral development --a synthetic objective par excellence-- was emphasized in the second IDS.

Secondly, in establishing the objectives account should be taken of certain practical considerations. For example, it should be possible to predict their impact with a reasonable degree of certainty, and they should not bring countries into conflict with their most serious internal restrictions. Furthermore, the objectives selected should be capable of being measured by easily and readily available indicators. Finally, another

consideration of the utmost importance is that these objectives must be able to catch the public's imagination and at the same time help to mobilize public opinion to promote development.

On the other hand, in formulating a strategy every effort should be made to establish the most effective linkages possible between the objectives and the means of achieving them, with a view to avoiding inconsistencies. For example, it would be best if the expected costs to countries could be borne by a variety of mechanisms such as the setting up of a special fund to fulfil certain specific objectives, or an increase in the volume of real or financial resource transfers to the developing countries.

Finally, a de facto situation exists which must be taken into account, since it calls for delicate decisions to be taken in the formulation of the strategy. Many United Nations organs and agencies have established objectives, goals and action programmes covering certain thematic areas or sectoral aspects of development, running parallel to the two international strategies. Such goals and objectives exist, for example, in the areas of health, education, employment, agriculture, industry and other fields. An attempt to include them all would run counter to the necessary selectivity and would create difficult problems of interrelationships. One possible solution to this problem would be to formulate broad objectives whose fulfilment would facilitate to a greater or lesser degree the achievement of the more specific objectives.

In short, and in view of the foregoing considerations, the decision as to the number and type of objectives is one of the most fundamental for the strategy. It is generally agreed today that the second IDS aimed to achieve too many objectives. Reduction of the number of objectives could facilitate the establishment of proper interrelationships among them. For both conceptual and operational reasons, selectivity should be an important element in defining the objectives of the new strategy. In all likelihood, there will also be both economic and social objectives. In the current circumstances, in view of the serious imbalances existing in the world economy and within the economies of most countries, the strategy should also include broad objectives.

d) The possible regional and subregional scope of the IDS

The developing countries have major problems in common and they face many similar challenges in their economic relations with the developed countries. Nevertheless, there are also considerable differences among them and some of them have assembled in groupings based on geographical and political considerations. This means that there are institutions and programmes conceived for more restricted groupings than the totality of countries belonging to the United Nations, and the forums of these groupings are sometimes the regional commissions or other agencies of the Organization itself. The geographic and political ambit therefore creates certain problems in the preparation of an international strategy which are not very different from those mentioned in the discussion of the issues to be covered. In the case of the second IDS, these problems were dealt with in specific programmes

designed for certain geographic areas, such as the Regional Programme of Action adopted for Latin America and the Caribbean.

The choice between a strategy whose global themes are valid for all developing countries and another which places more emphasis on the differences between countries, and consequently divides them into regions or subregions, has different consequences in the phases of preparation and evaluation. The major differences that exist in those areas of greatest significance for the developing countries, such as the level of indebtedness or situations of poverty, suggest that geographic considerations should be taken into account in order to be able to quantify certain goals and make the strategy more workable.

e) Some institutional mechanisms

An international development strategy, if it is to be effective, needs to be supported by institutional mechanisms. At the primary level, this implies the involvement of the principal organs of the United Nations. In the operational sense, however, there has never so far been sufficient progress as regards the linkages to the rest of the system or the functions that should be assigned to that system and, in particular, to the specialized agencies.

During the period of preparation of the second IDS, a round of global negotiations was proposed, one of the purposes of which was to include in the guidelines for the strategy the involvement of the principal organizations of the international system, particularly the World Bank and the International Monetary Fund. This attempt came up against fierce opposition from many developed countries, which were of the view that if such proposals were implemented, they would adversely affect the autonomy and specialized nature of the functions assigned to such bodies, since yardsticks not in keeping with their institutional criteria could eventually be applied.

Now that work on the preparation of a new strategy has commenced, it may be useful to recall that during the 1980s both the International Monetary Fund and the World Bank have participated actively in the processes whereby the developing countries have had to deal with their external sector imbalances. These institutions handle substantial resources, and in practice they lay down conditions regarding the policies of countries that request loans. In view of this situation, some degree of co-ordination could be established between the new Strategy and the activities of these bodies. Another possibility would be to link the degree of attainment of the objectives to the mobilization of resources over and above those of these two institutions. These additional resources should be largely independent of the goals of the institutions in question in the area of trade and finance.

f) Linkages with other United Nations activities

During the debates of the forty-third session of the General Assembly, a draft decision on development and international co-operation was submitted, which contained a proposal to convene in 1990 a special session of the

General Assembly devoted to reactivation and development in developing countries.^{8/} During that special session, the focus of discussion would be enhanced international and regional economic co-operation and improved policy co-ordination. The problems of the world economy would be reviewed, particularly the most pressing ones, such as the need to resume and revitalize growth and development in the countries of the Third World, while recognizing the respective competences of the specialized agencies. These meetings should provide guidelines for preparing a new international development strategy.

In addition to this, the Committee for Development Planning (CDP) has been asked to co-operate with the ad hoc committee of the whole. The CDP has had sustained discussions on the global aspects of development and has established a working group to focus on this subject in particular. There is no doubt that this committee can make a valuable contribution to the process of formulating a strategy, to the extent that the topics with which it deals are the same as those that are finally selected to form the nucleus of the strategy.

g) Appraisal mechanisms

The rapid loss of effectiveness of the second IDS highlighted the fact that appraisal mechanisms are vital to long-term strategies. This question was discussed at length during the preparation of the second Strategy, and at that time there were at least two opposing schools of thought. On the one hand, there were those who felt that the goals and objectives set should be adapted to the actual economic and political possibilities, in the event that subsequent developments turned out to be different from what was expected. On the other hand, there were those who held the view that in such circumstances the element to be adjusted should be the resources allocated. In other words, some defended what is usually referred to as political realism and others the need to fulfil the commitments undertaken.

The debate thus has two underlying issues: the level of commitment and the capacity for forecasting and programming. The level of commitment is closely related to the itemization of the real, financial and institutional resources required for the fulfilment of the objectives. It has already been mentioned that in this regard the second IDS was deficient: the commitments undertaken by both the developed and developing countries were ill-defined, and when it became clear that the goals and objectives were not being attained, in most cases it was difficult to identify the mechanism or government which had failed to fulfil its commitment. This difficulty was encountered by both the developed and developing countries, especially when the objectives were related to issues which the governments felt were within their own exclusive sphere of competence.

It should also be noted that the level of commitment has a bearing on the appraisal mechanisms. If the level of commitment is very low and difficulties are encountered in achieving the objectives set, the appraisals could eventually undermine an ambitious project by reducing the scope of its goals and objectives. For its part, the capacity for forecasting and programming may also have a significant impact on the attainment of the

objectives. In so far as the facts point to conceptual deficiencies, or to shortcomings in the assessment of the technical or institutional feasibility, the introduction of modifications becomes indispensable if the strategy is to remain realistic.

The importance of the commitments and of the evaluation process once again leads to the conclusion that the strategy should take due account of the political and institutional capacity of the United Nations system. A worsening of the current situation must be averted not only by the firm resolve to face up to it, but also by making proper use of the current capacity of the system and the existing political will to expand its activities and to undertake commitments.

h) Mechanisms for preparation of the strategy

Resolution 43/182 has set in motion the mechanism for the preparation of a new IDS. This mechanism includes two contributions of different kinds. The first, related to governmental forums, requires the participation of the regional commissions and the specialized agencies and bodies, while the second calls for the collaboration of the technical secretariats of the United Nations and in particular of the Committee for Development Planning. The work at the governmental level will be directed and co-ordinated by the ad hoc committee of the whole, while the Director-General for Development and International Economic Co-operation will have responsibility for the overall co-ordination of the contributions of the United Nations system.

The participation of such a large number of forums and organizations will ensure the universality of the exercise, and will provide a large number of elements on which to base decisions. On the other hand, however, it will mean that the ad hoc committee of the whole and the Director-General will have to undertake a difficult task of selection, in order to avoid the obvious danger of dispersion. It is felt that the member countries of ECLAC could make a significant contribution to the debate on this subject.

5. Reflections on the subject within ECLAC

In sum, and despite the doubts which may be felt regarding the content and scope of a new international development strategy, it is considered that its implementation would provide a good opportunity to undertake a joint study of future prospects and their consequences, to strengthen the commitments to international economic co-operation in general and to international development in particular, and to examine the main issues relating to the international economic system. It is desirable that the governments of Latin America and the Caribbean should participate fully in the forthcoming debate on this issue.

During the twentieth session of its Committee of the Whole, ECLAC could adopt, if it deems this useful, the appropriate mechanisms to organize its participation in the preparation of the strategy. As already indicated, the Secretariat is aware of the conceptual and procedural difficulties of the exercise. With the sole aim of contributing some specific data to the debate,

however, it now wishes to make a few brief observations on some of the objectives, policy instruments and mechanisms of formulation and appraisal.

As mentioned earlier, the lesson learned from previous strategies is that there should be a high degree of selectivity in determining the objectives. These should be very few in number and should be of a broad or general nature, so that they can sustain or complement other more specific objectives. By and large, no attempt will be made here to establish the relationships between all the objectives of the different forums of the United Nations, in order to avoid problems which would be difficult to resolve and to maintain the clarity of the presentation. In this spirit, two objectives are presented here which, along with a number of others, could satisfy these requirements.

The first could be that of achieving a gradual diminution of the existing gap between the developed and developing countries. The international community should give priority attention to this objective, since the maintenance or accentuation of such disparities runs counter to the most basic goals of the United Nations. The existence of these disparities and the fact that they got worse during the 1980s in the case of most developing countries is due to many different causes, and a single strategy cannot address them all. It would appear reasonable, however, to give prominence, among all of these causes, to the transfer of resources which is taking place today in international economic and financial relations, particularly in Latin America and the Caribbean.^{9/}

Generally speaking, it is desirable that the trade balance in goods and services of the developing countries should show a larger volume of imports than of exports, so that their international trading results register an increase in the availability of goods and services. Simultaneously with such a positive transfer of real resources, there should be an improvement in the transfer of financial resources. In order to bring about these transfers, which in many developing countries and particularly in Latin America and the Caribbean have been negative in recent years, the strategy could select a limited number of instruments. At the present time, alleviating the problem of the external debt and establishing a development fund could constitute good examples of such instruments.

An objective such as the one proposed may be viewed as the reduction of disparities by increasing the transfer of resources or reversing its direction. It is of a general nature, it contributes to the fulfilment of many other objectives which need not be spelled out here, it allows for appraisals which the United Nations system could carry out without major difficulty, and it defines two instruments, namely the reduction of the debt and new financing.

A second objective of the strategy could consist in improving the standard of living of the mass of the population in the developing countries and, in particular, reducing or eliminating altogether the situations of extreme poverty with which vast sectors of mankind are faced today. This is an aspiration on which there is consensus and in respect of which the United Nations system has already done substantial work. Technical instruments have been designed to identify, at the national level, those social groups with

unsatisfied basic needs, and mechanisms exist for evaluating such needs. In the countries, moreover, policies are already being implemented to rectify these situations. The instruments include both those of a structural nature and those of a more short-term nature, as used in employment and public expenditure policies. The resources required to finance programmes designed to eliminate situations of poverty could come in part from the change in the direction of resource transfers proposed as part of the first objective. In this way, it would be possible to finance the implementation of structural policies for tackling situations of poverty and to co-ordinate them with short-term and aid policies which are already being implemented, for example as part of certain aspects of the functions of specialized international agencies. In this case, too, an appraisal mechanism could be established, and indeed the United Nations system is already working on this.

The two objectives mentioned above, which have only been presented by way of illustration, should also make it possible to determine more precisely the commitments of the developing countries and those of the developed countries. In the case of the first objective, joint negotiations are called for in which the major contribution should be made by the developed countries. This would perhaps provide an opportunity to link a development fund to the reduction of expenditure on armaments. In the case of situations of poverty, both parties should share a common commitment: the developed countries, through the contribution which they could make in the form of technological and financial transfers, and the developing countries, through the formulation of policies and strategies aimed at achieving the expansion and more equitable distribution of income and wealth, as well as greater equality of opportunities.

These examples have been used to illustrate some of the principles which could be used to define and formulate a new strategy. They seek in particular to underscore the advantages of selecting a limited number of objectives and instruments, of being able to allocate commitments, and of evaluating their fulfilment. In this way, it would be possible to define certain tasks of paramount importance to the Organization, which, inasmuch as they are fully within the scope of its possibilities, could help to restore the efficiency and prestige of multilateralism.

Notes

1/ See, in particular, United Nations, Preparation of a new international development strategy: Report of the Secretary-General (A/43/376), New York, 6 June 1988.

2/ In the same resolution the Committee on Development Planning is asked to continue its work on the Strategy in support of the ad hoc Plenary Committee; UNCTAD, the regional commissions and other organs, organizations and specialized agencies are requested to include the topic of their contribution to the new development strategy in their agendas for 1989; the Secretary-General of UNCTAD and the Executive Directors of organs, organizations and organic units in the United Nations system are requested to contribute to the preparation of the Strategy, and the Secretary-General is requested to make the Director-General for Development and International

Economic Co-operation responsible for co-ordinating the contributions made by the United Nations system to the formulation of the Strategy.

3/ See ECLAC, "Preparation of the new International Development Strategy for the Fourth United Nations Development Decade" (LC/G.1517), Santiago, Chile, 14 April 1988.

4/ See General Assembly resolutions 2626(XXV) and 35/56.

5/ See United Nations, Development and international economic co-operation: Long-term trends in social and economic development (A/43/554), New York, 20 September 1988.

6/ ECLAC, Restrictions on sustained development in Latin America and the Caribbean and the requisites for overcoming them (LC/G.1488/Rev.1), Santiago, Chile, 9 February 1988, pp. 10-26, in particular.

7/ United Nations (A/43/376), op.cit., p.9.

8/ Decision 43/443 of the General Assembly. An annex to this decision contains an "understanding" on the characteristics and scope of the proposed special session.

9/ See ECLAC, Restrictions on sustained development in Latin America, op.cit., especially pp. 3-9.

Annex

498 (XXII) INTERNATIONAL DEVELOPMENT STRATEGY: ASSESSMENT OF THE PRESENT
INTERNATIONAL DEVELOPMENT STRATEGY AND REVIEW OF THE
PREPARATION OF A NEW STRATEGY FOR THE FOURTH
UNITED NATIONS DEVELOPMENT DECADE

The Economic Commission for Latin America and the Caribbean,

Considering that at its forty-second session the General Assembly adopted resolution 42/193 on the preparation of a new international development strategy for the fourth United Nations Development Decade, wherein the Secretary-General is requested, in consultation with all the organs and organizations of the United Nations system concerned, to provide information which would be appropriate for the preparation of a new strategy and for the assessment of the strategy for the present Decade,

Requests the ECLAC Secretariat to prepare the relevant information in time for the meeting of CEGAN which will deal with the analysis of the different points connected with the appraisal of the current Strategy and the consideration of a new International Development Strategy for the fourth United Nations Development Decade, and to submit that information to the next session of ECLAC.

237th meeting
27 April 1988