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at 3 p.m.  
New York

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SUMMARY RECORD OF THE 15th MEETING

Chairman: Mr. GHEZAL (Tunisia)

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20 P.

The meeting was called to order at 3.20 p.m.

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

(a) PREPARATION OF AN INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (1991-2000) (continued) (A/44/3; A/44/41)

1. Mr. MENON (India) said his delegation was disappointed that agreement had not been reached in the Ad Hoc Committee for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade on the tentative outline of that strategy. The preparation of the new strategy provided an opportunity to evolve a new development consensus for the revitalization of growth and development of the developing countries. Such a consensus, looking beyond the current focus on short-term adjustment, should take account of the vast changes that the global economy had undergone in the past decade. One of its main objectives should be enhanced international economic co-operation to provide an external economic environment supportive of developing countries' development efforts. It should contain agreements on specific objectives, targets and indicators, and commitments by Governments on selected priority issues. Lastly, it should provide a coherent framework for action within the United Nations system, and review and monitoring mechanisms allowing for adaptation to rapidly changing situations in the world economy.

2. Ms. EHRENREICH (Denmark), speaking on behalf of the Nordic countries, said that they concurred with the four themes suggested for the new development strategy and remained fully committed to the comments they had made at the second session of the Ad Hoc Committee.

3. Substantive and detailed negotiations would not commence until after the special session of the General Assembly in April 1990, and the fourth strategy would then have to be finalized in just four or five months. That task might be easier if at its third session, the Ad Hoc Committee also discussed the elements of the strategy in much more concrete terms. The Nordic countries proposed that, in order to further that purpose, the Secretariat might prepare, in close co-operation with the Chairman of the Ad Hoc Committee, a compilation of elements to be included in the strategy, to be submitted to the Committee at its third session in January 1990. On the basis of the discussions at the Committee's second session, it might be possible to reach final agreement on an outline of the new strategy during the current General Assembly, thus providing valuable guidance for the Secretariat in preparing its substantive contribution. That task would not be easy, but it must be undertaken if the January meeting was to serve a purpose in the preparatory process leading to the adoption of the strategy by the General Assembly at its forty-fourth session.

4. The Nordic countries had stressed those procedural issues because of their concern that agreement should be reached on a new development strategy which would prove more useful than its predecessors, inspiring and directing international co-operation and providing guidance for the operational activities of the United Nations system.

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5. Mr. WANG Baoliu (China) said that his delegation fully agreed with the ideas contained in the progress report of the Ad Hoc Committee of the Whole. At the first and second sessions of the Committee some convergence of views had been apparent, and a good start had thus been made on preparing a new strategy.

6. In view of the great importance his delegation attached to the formulation of the new strategy, it had submitted to the Ad Hoc Committee at its second session a position paper indicating that, as a minimum, the new strategy should include: a preamble; guidelines, purposes and objectives of international economic co-operation; priority areas and policy objectives; and provision for monitoring and review of its implementation. The position paper had set forth nine priority areas: trade and commodities; development finance; external debt; science and technology; human resources development; the environment; social development; poverty alleviation; and the least developed countries. The list was not an exhaustive one. Those areas had been singled out in the belief that a strategy which evaded the urgent issues facing developing countries would not truly promote effective international economic co-operation in the 1990s, or assist in the economic revitalization and development of those countries.

7. During the in-depth discussion of the new strategy's overall structure at the second session of the Ad Hoc Committee, many valuable proposals had been advanced, and welcome progress had been made on certain issues. His delegation greatly appreciated the efforts made by the Group of 77 regarding the structure of the international development strategy, and the co-operative spirit displayed by the States members of the European Committee. The preparation of the new strategy was a complicated and arduous task, calling for joint efforts by all parties. His delegation was ready to join all other delegations in an endeavour to accelerate the process.

8. Mr. de ALENCAR (Brazil) said that the main objective of the new strategy should be to define what efforts must be made by the international community to ensure that development took place at a rate which would make up the ground lost in the 1980s. The performance of the world economy in 1988 had been characterized by the persistence of deep external imbalances among major industrial countries, inflationary pressures in some of them, followed by tight monetary policies and an increase in international interest rates. In most developing countries, particularly in Africa and Latin America, economic activity had been even weaker than forecast. Many economies were stagnating. Rising external debt-service obligations had caused tight budgetary restrictions and a further reduction in expenditures for social programmes. Investment had declined, and inflation had accelerated. Per capita incomes had decreased to the levels of the 1970s or even the 1960s.

9. As the World Bank had pointed out, higher real interest rates, reduced international capital flows and lower commodity prices had made further adjustment virtually impossible for the indebted countries. In fact, the adjustment effort had been one-sided: while debtor developing countries had pushed adjustment to its uppermost limits, the industrialized countries mainly responsible for the existing

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(Mr. de Alencar, Brazil)

situation had done little to adjust their own economies and continued, therefore, to contribute to the overall imbalances of the world economy. It was thus hardly surprising that the adjustment efforts of developing countries had led only to recession and fatigue.

10. Since 1982 many indebted countries had transferred abroad between 3 and 5 per cent of their GNP a year. According to the International Monetary Fund, 73 developing countries were now net debtors. The phenomenon of net transfer of resources had caused what the President of Brazil had described as a Marshall Plan in reverse. As the World Economic Survey pointed out, the largest market developed economy had become an insatiable user of the world's savings, particularly since the escalation of its international payments deficit beginning in 1983.

11. Trade imbalances remained large and protectionist measures continued to plague the international trading system. Many industrialized economies had turned temporary safeguards into permanent features of their foreign trade policies. Unilateral actions were applied, or threatened, in complete defiance of multilateral trade rules. Other types of structural inefficiencies were offset by the provision of bountiful subsidies. Meanwhile, whatever export earnings developing countries were able to obtain had to be assigned not to imports of the equipment and technology they needed to remain competitive, but rather to the payment of the exorbitant interest levied on their foreign debt.

12. Prospects for growth and development were thus bleak, and broad international co-operation and effective co-ordination were needed to reverse the situation. The consensus reached two years before on the preparation of a new strategy must now be backed by firm determination to face the issues squarely and assume the concomitant responsibilities. To design a strategy was a joint endeavour requiring the full participation of all members of the international community. His delegation hoped that consensus would emerge on a new strategy, reflecting a commitment to bring some equilibrium to the world economy and to allow development to go forward, rather than hamper it.

13. Mr. AL-MUSLEMANI (Qatar) said that the abundant data now available on the economic situation during the 1980s would make it possible to decide what must be done in the coming decade in order to avoid past mistakes and what policies must be pursued if there was to be any improvement. The current world economic situation was marked by a number of crises to which there were no imminent solutions. The unexpected expansion of world output and international trade in 1988 had failed to spread to the developing countries. It seemed that their situation would deteriorate further and changes must therefore be made in the economic and trade structures which had aggravated the world economic crisis and had led to increased debt problems.

14. Changed concepts of international economic co-operation were required with a view to achieving development. The studies prepared by the international development institutions indicated that, in the 1990s, growth in the industrialized countries would remain slow and commodity prices in the developing countries would

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(Mr. Al-Muslemani, Qatar)

maintain their current level. The studies also indicated that the stagnation affecting the economies of many developing countries would continue into the next decade, and a new approach was therefore required in order to address their problems.

15. Rapid action was required if the situation in the developing countries was not to become explosive. Population was rising constantly. Increasing numbers of graduates aspired to a better future, and Governments would have to respond to their hopes and wishes. If economic growth in the developing countries was not sufficient to enable the Governments concerned to raise the standards of living of their peoples and meet the demands of youth, there would be dire consequences not only for those Governments but for the entire international community. The adoption of appropriate measures to promote the development of the developing countries was therefore a collective responsibility of developing and developed countries alike. The creation of an appropriate climate for development was closely linked to the reversal of the direction of resource flows, the upward adjustment of commodity prices and the lifting of restrictions on trade.

16. The change in the political climate, the reduction in the level of armaments among the industrialized countries and the multilateral efforts being made for the solution of long-standing regional conflicts would be most helpful during the coming decade. The special session of the General Assembly in 1990 devoted to international economic co-operation would provide a unique opportunity to place all the positive and negative factors side by side and to attempt to formulate that just equation which the entire international community expected from the Organization.

17. Mr. DINU (Romania) said that his delegation supported the statement delivered by the Chairman of the Group of 77, and had spelled out its views in detail at the first session of the Ad Hoc Committee. Although the Committee had achieved certain results at its second session, his delegation was concerned that with less than a year to complete its work, it had not yet begun to explore the substance of policies and measures to be included in the new development strategy.

18. The strategy for the 1990s should be a qualitatively new instrument for revitalizing economic growth and development, particularly in the developing world. As a political instrument of international co-operation, it should help to make the international economic environment more supportive of the developing countries. In the longest period of depression the developing countries had ever known, the gap between the developed and the developing countries had continued to widen, resources had continued to be transferred out of developing countries, protectionism and external debt had increased, and coercive trade measures had been employed against developing countries. Indeed, the world's economic problems had become global political issues. The negotiations on the strategy would demonstrate to what extent the readiness of the developing countries for dialogue and co-operation would be matched by the developed countries.

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19. Mr. CHAMINA (Libyan Arab Jamahiriya) said that the deteriorating economic situation of the developing countries and the widening gap between them and the industrialized countries must be taken into account in the preparation of the new international development strategy for the fourth United Nations development decade. The implementation of the previous Strategy had encountered many difficulties, but much experience had been acquired and it would be most useful in the elaboration of the forthcoming strategy, the principal goal of which must be the revitalization of economic growth and development in the developing countries.

20. The strategy must take due account of the human aspects of development, promote awareness of the need for international co-operation for development and help formulate just solutions to the many problems facing the world economy. The desired goals could not be achieved as long as the developing countries continued to encounter problems that aggravated their economic and social situation, such as protectionism, tariff barriers and other severe restrictions on trade. External indebtedness would require concerted efforts and co-operation between debtor and creditor countries for the solution of a problem that worsened daily.

21. Other significant problems impeding the development programmes of the developing countries were those of environmental deterioration, the pollution of the seas and the atmosphere and the transfer and disposal of toxic wastes. The new strategy should be comprehensive, flexible, realistic and workable, and it must be adequately publicized through the various information media. The mandate entrusted to the Ad Hoc Committee of the Whole for the preparation of the strategy was of the utmost importance, and it was incumbent upon all to assist it in its work.

22. Mr. CHOWDHURY (Bangladesh) said that his delegation fully agreed with the statement by the Chairman of the Group of 77. For a majority of the developing countries, the 1980s had been a lost decade, characterized by structural imbalances, and an increase in the number of persons living in absolute poverty. Development had been hindered by, inter alia, severe unemployment, an intolerable debt burden and depressed commodity prices. His delegation hoped that the international development strategy for the 1990s would provide a much-needed framework for concerted action to ensure balanced and sustained economic development.

23. The new strategy must be global in scope and aim at securing socio-economic progress on a broad front. Its primary goal should be to promote and accelerate growth and sustained development in the developing countries, with special emphasis on the alleviation of poverty. Long-term measures to that end should include the structural transformation of developing countries and the modernization of their economic base. Ecological concerns must also be accorded priority. Attention must be focused on the increasing marginalization of the least developed countries in the world economy. The strategy must also ensure the developing countries access to the benefits of science and technology. Moreover, broad measures must be taken to increase financial flows to developing countries on concessional terms, reduce their debt burdens and reverse the net transfer of resources from the developing to the developed countries. The important link between trade and development must be

(Mr. Chowdhury, Bangladesh)

recognized. To that end, the need to open markets to the exports of developing countries must be the underlying premise of any strategy for the 1990s.

24. The success of the strategy would hinge on how favourable the environment was to growth and development. In the 1980s, policy co-ordination had remained limited to the major developed market economies without addressing the concerns of the rest of the world. If the experience of the 1990s was to be different from that of the previous decade, the sustained long-term development of developing countries must be emphasized, beyond immediate crisis management.

25. Its success would also be largely dependent on improved co-ordination of activities within the United Nations system. It was his delegation's hope that the joint meetings of the Committee for Programme and Co-ordination (CPC) and the Administrative Committee on Co-ordination (ACC) would contribute to the preparatory process. All United Nations organizations and bodies, in particular the United Nations Conference on Trade and Development (UNCTAD) should be invited to submit their contributions to the preparation of the strategy.

26. Unfortunately, the Secretariat documents on the strategy were narrow in scope and had not touched on many issues of importance to the least developed countries. Building on the convergence of views which had taken place in recent months, the third session of the Ad Hoc Committee in January 1990 should focus on substantive issues. At the current session of the General Assembly, action should be taken to strengthen the Ad Hoc Committee and avoid duplication of its work.

27. Mr. SILALAH (Indonesia) said that his delegation fully endorsed the statement by the Chairman of the Group of 77, and was concerned that despite universal participation in the preparatory process, the work of the Ad Hoc Committee had not yet been conclusive. The dismal failure of the Strategy for the 1980s had been caused not by its goals and objectives, but rather by an extreme shift in the macro-economic environment and a lack of political will. The basic concepts underlying the strategy remained valid, and should therefore be retained and adopted.

28. In order to be effective, the strategy for the 1990s would have to be based more strongly on the priorities of the developing regions of the world. It must generate an understanding of the requirements for sustained world development, and must be aimed at the recovery and sustained development of the many developing countries which had undergone a decade of stagnation or decline. Its structure and outline should address the issues covered by previous strategies, such as international trade, resource flows, technology and industrialization, while also taking into account the new dimensions of the external debt crisis, commodities prices, human resource development, preservation of the environment and the eradication of poverty.

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AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (A/44/3, 139, 206 and Corr.1 and Add.1, 217, 229, 235, 255, 264, 273, 274 and Add.1, 276-278, 284, 315, 338, 340, 355, 361, 376, 379, 401, 486; A/C.2/44/L.3)

29. Mr. AHMED (Under-Secretary-General for International Economic and Social Affairs) said that in the past year the Economic and Social Council had concentrated on strengthening development and international economic co-operation, hoping thereby to enhance the role of the United Nations. The forthcoming special session of the General Assembly had been seen as an occasion to strengthen multilateralism in the socio-economic sphere by resuming global dialogue and promoting the new international development strategy as a framework for accelerated growth in the 1990s. The need for the United Nations to play a more prominent role in world economic affairs was exemplified by the important resolutions adopted by the Council during the year.

30. The concern for strengthening international economic co-operation had also been reflected in the Council's general debate at its second regular session, which had focused on a number of key issues. The growing disparity in economic growth between the developed market economies and most countries in Africa and Latin America had rendered more urgent the need to stimulate development in the developing countries, particularly the least developed countries, which had continued to languish and were in danger of becoming marginalized. The problem would be addressed on a comprehensive basis at the forthcoming conference on least developed countries.

31. The Council had paid particular attention to the economic crisis in Africa and the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, and had adopted a resolution on an alternative framework for structural adjustment in Africa.

32. With regard to the problems of external debt and the net transfer of resources from developing countries, the general debate had led to the conclusion that an urgent solution was essential to restore growth in the middle and low-income heavily-indebted countries.

33. Close attention had also been given to the issue of the environment and, despite differences about its relationship with economic growth, it was generally agreed that protection of the environment was a shared responsibility but should not be a condition for development assistance. The proposed conference on environment and development in 1992 would seek consensus on the issue.

34. The Council debate had also reflected growing concern over such issues as the inadequate management of interdependence, the need to achieve greater international economic security and to combat protectionism, the importance of a successful Common Fund to stabilize commodity markets and of measures to control inflation and to help eradicate poverty. The importance attached by the Council to the World Economic Survey had been manifested by its recommendation that the Survey should extend its coverage of economic and social issues by, for example, including in its next issue a comprehensive analysis of the transfer to resources to and from

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(Mr. Ahmed)

developing countries and an in-depth review of the relationship between economic and social factors and of the impact of the world economic situation on the social situation of developing countries. By thus extending the scope of the Survey, the Council hoped to enhance the interdisciplinary and integrated view of development which it provided.

35. The latest demographic projections to the year 2025, prepared by the Population Division of the Department of International Economic and Social Affairs, had revealed a growing diversity in the socio-economic characteristics of the world's population. In a number of developing countries with large populations there had been a strong downward trend over the last 15 years in fertility and mortality rates, but those same rates had remained high in least developed countries, particularly in Africa, with the result that the developing world now accounted for more than four-fifths of world growth, generating increasing pressures on employment and resources.

36. In the light of the projections and recommendations formulated by the Population Division, the Council had adopted a number of important resolutions, which were aimed at addressing demographic needs and problems in Africa, and in the least developed countries in general, and stressed the role of population in development by urging Governments and the organizations of the United Nations system to give full consideration in their preparations for the new international development strategy to the interrelationships between population and other aspects of development. The Council's commitment to the World Population Plan of Action had been further manifested in its adoption of resolutions to convene an international meeting on population in 1994, and to take measures to strengthen the implementation of the Plan.

37. The problem of acquired immunodeficiency syndrome (AIDS) had reached pandemic proportions. The Council had called for a co-ordinated implementation of the World Health Organization's Global Strategy for the prevention and control of AIDS, and had urged the United Nations to mobilize its resources in combating the effects of AIDS on the socio-economic development of developing countries. The Department had responded to such resolutions by continuing its AIDS prevention and control activities, emphasizing the socio-economic aspect of AIDS in developing countries. Information on AIDS had been gathered by the relevant United Nations organizations, and was reflected in the Secretary-General's report on the Global Strategy for the prevention and control of AIDS. Together with experts from other United Nations organizations and from research institutes, the Department was studying ways to assess the impact of human immunodeficiency virus (HIV) and AIDS on development sectors of individual countries. Such research would provide social and economic data to assist national policy-makers in devising strategies to combat the disease, as would technical meetings between United Nations regional offices and national Governments in affected countries.

38. In its important resolution on human resources (1989/120), the Council had reaffirmed the need for an integrated and multidisciplinary approach to all aspects of human resources development. The Council had also reviewed progress in

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implementing the Plan of Action for the World Decade for Cultural Development and had called for strengthened efforts to be made by member States and the United Nations system.

39. The world social situation was of particular concern to the Department for International Economic and Social Affairs in the context of its work on the new economic strategy. The Economic and Social Council had requested that the Department should expand its report on the world social situation to cover significant social trends and the impacts of structural adjustment and the external indebtedness of developing countries on their social situation.

40. Mr. LOPES (United Nations Educational, Scientific and Cultural Organization), introducing the report of the Secretary-General of the United Nations and of the Director-General of the United Nations Educational, Scientific and Cultural Organization on the progress of the World Decade for Cultural Development (1988-1997) during the period 1988-1989 (A/44/284), said that Member States and most members of the United Nations system had undertaken activities in support of the Decade. However, even United Nations organizations and programmes must include more activities in their biennial programmes, in accordance with the decision of ACC, in the decision referred to in paragraph 51 of the report. In contrast to the International Drinking Water Supply and Sanitation Decade and the International Decade for Natural Disaster Reduction the urgent economic need for the World Decade for Cultural Development might not seem readily apparent. However, while those two decades addressed important development problems, the Decade for Cultural Development spoke to the process used to address all development goals.

41. There was growing evidence that the importance of taking cultural factors into account was becoming more widely accepted. In 1989 the World Bank had initiated a series of pilot projects in Togo and Guinea containing components dealing with cultural identity and improvement, and early in 1990 a joint World Bank-UNESCO mission would make a preliminary assessment of how cultural factors had been taken into account in those projects. The Economic Commission for Africa had published a framework for transformation and recovery which suggested that the cultural milieu was a major factor in the development process. The United Nations Development Programme had recently published a brochure entitled "Cultural Development" outlining work it had financed in that area. By the end of 1989 the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development would complete a major policy document on development co-operation in the 1990s, which would no doubt reflect the notion put forward in the DAC principles for project appraisal that socio-cultural conditions must be analysed in order to identify possible constraints to successful project implementation.

42. Since completion of the report, UNESCO had selected the first round of Decade activities. From among the 296 projects submitted, 231 had been approved, of which 21 had been accorded financial support. The projects came from every region of the world, and addressed an exciting array of issues. Examples were a project from the

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(Mr. Lopes, UNESCO)

Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) which sought to use traditional music and theatre to alert rural areas to the need to protect the environment; an international symposium on the production and marketing of indigenous art, organized by Canada in the light of the revision of the International Labour Organisation's Convention 107 in July 1989 to give greater emphasis to cultural identity; pilot projects from New Zealand and the German Democratic Republic designed to demonstrate scientifically that participation in artistic activities was able to improve the morale of invalids and hasten the recovery of other patients; a project to be undertaken by Argentina to assess the effects of deforestation on the way of life of the populations concerned; the compilation by the Asian Cultural Centre for UNESCO in Japan of a collection of videotapes on the dances of Asia and the Pacific for instructional purposes in primary and secondary schools; and a study by a non-governmental organization of the cultural factors affecting the participation of women in development in the Maghreb.

43. The World Decade for Cultural Development was a central theme in the draft third Medium-term Plan of UNESCO for 1990-1995. Moreover, in the draft programme and budget for the 1990-1991 biennium, the Director-General proposed over \$6 million for Decade activities across the seven major programmes. He had also suggested that \$1 million should be set aside to finance projects consistent with the aims of the Decade submitted to the Organization by Member States and other partners.

44. The Director-General was also submitted a report to the UNESCO General Conference at its twenty-fifth session on the possibility of establishing an international programme for the Decade. If adopted, the programme would address eight priority concerns, each of which would be the subject of a systematic comparative study leading to a publication, concrete action or an institutional innovation. The eight project areas were: culture, management and development; tourism, culture and development; technology and cultural products; media impact on culture and behaviour; cultural pluralism towards the year 2000; financing culture and the arts; a UNESCO exchange programme for young persons; and a cultural Olympiad.

45. It was the wish of Member States to see a World Decade for Cultural Development which addressed not only theoretical issues, but also concrete matters. Consistent with Economic and Social Council resolution 1989/107, and with the expressed desire of Member States to reinforce co-ordination and avoid duplication of effort within the United Nations system, UNESCO would propose the establishment of an inter-agency steering committee for the Decade at the ACC meeting the following week. In addition, it would welcome the support of the Second Committee for a mid-term conference in 1993 to assess the implementation of the Decade Plan of Action.

46. If the Decade was to change the way in which the development process and the values which that process should strive to conserve were viewed, then it must be world-wide. To achieve that end, UNESCO would use all the resources at its

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disposal, particularly with regard to information. Yet its efforts would be of little avail unless all other partners were willing to commit themselves to the philosophy of the World Decade and its four objectives. He asked for the help of the Second Committee in securing that aim.

47. Dr. MANN (Director of the Global Programme on AIDS, World Health Organization) said that approximately 600,000 people were expected to develop AIDS by the end of 1989. An estimated 6 to 8 million people were currently infected with HIV, which could develop into AIDS after several years.

48. The modes of HIV transmission remained unchanged. There was no evidence that the virus was spreading by any means other than sexual intercourse, exposure to blood or transmission from an infected mother to a foetus. WHO had identified four epidemiological patterns of transmission, which varied according to personal and social behavior in different parts of the world. In pattern I countries - including the United States, Canada, the Western European countries, Australia and New Zealand - sexual transmission of HIV remained predominantly homosexual, although heterosexual transmission was increasing. Transmissions through blood were related to self-injecting drug users who shared contaminated needles. Overall, at least 2 million people were infected in pattern I areas of the world.

49. Pattern II areas included most of sub-Saharan Africa and certain areas of the Caribbean. HIV transmission in those areas was predominantly heterosexual and perinatal, meaning it was passed from mother to child. While urban areas were most heavily affected, the virus was becoming increasingly common in rural areas, where most of the population lived. The nearly equal sex distribution of HIV infection in pattern II areas had ominous implications for children. WHO estimated that in the 1980s, nearly 150,000 children had been born infected with HIV. Over 3 million adults were estimated to be infected in pattern II areas, and the figure was increasing. A new pattern, called I/II, was typical of the Caribbean and Latin America, where transmission had been largely homosexual in the early 1980s and had become increasingly heterosexual in the middle and latter part of the decade.

50. Pattern III areas included North Africa, the Middle East, Eastern Europe and most countries in Asia and Oceania. HIV was a relatively recent phenomenon in those regions, and they accounted for only 1 per cent of AIDS cases in the world. However, the situation could change very rapidly, as it had in Thailand.

51. All over the world, the pandemic remained dynamic and unstable. Although behavioural changes had led to a decline in the incidence of HIV in certain areas, vulnerability remained high. In particular, the linkage between drug injection and the HIV/AIDS pandemic was creating a major public health crisis. During the 1980s, the number of HIV-infected people had risen from around 100,000 to at least 5 million, and an estimated 600,000 people, of whom at least half had died, had developed AIDS. WHO estimated that in 1990 and 1991 alone, nearly 500,000 people could develop AIDS. Based on a Delphi study, its longer-term projection was that the number of people infected with HIV in the 1990s would be approximately two to three times greater than it had been in the 1980s. The number of adults developing

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(Dr. Mann, WHO)

AIDS in the 1990s would be nearly nine times greater than in the previous decade; new cases could well exceed 500,000 annually by the year 2000. Along with such dramatic increases in the incidence of HIV infection and AIDS, the social, cultural, economic and political challenges to the international community would also intensify.

52. The 1980s had, however, also witnessed the development of new technologies for diagnosing and treating AIDS, and research on vaccines continued. For example, it had been demonstrated that the latest drug, AZT, slowed the progress of AIDS, and even of the virus before symptoms appeared. However, the side-effects of the drug and its exorbitant cost made it inaccessible to many people.

53. The global dimensions of HIV and AIDS had triggered an extraordinary response. The Global Strategy for the prevention and control of AIDS was the world's first truly global strategy for tackling an infectious disease. Since 1986, it had led to the establishment in virtually all countries of national AIDS programmes tailored to the specific situations of each country and sharing a common policy framework. At the international level, a co-ordinated effort had been made under the leadership of WHO to provide support for those programmes. Despite inevitable delays, the arduous work of AIDS prevention and control had been begun in record time. A spirit of global solidarity had arisen as the international community faced the AIDS problem, demonstrating that the disease was one of a small number of issues, like environmental protection and the prevention of nuclear war, that were felt to be of universal concern.

54. HIV and AIDS had challenged the status quo at every level. The disease had focused attention on a number of complex social issues which predated it, including the existence of certain imbalances, deficiencies and inequities in health-care and social systems. Societies had been forced to reconsider the adequacy of those systems as well as their support for the rights and dignity of all people.

55. Thus far, the Strategy had succeeded in laying a sound foundation for concerted and increasingly effective action to prevent the transmission of HIV and to care for those already affected by the pandemic. However, if national AIDS programmes were to be sustained in the future, the international community must commit itself to that goal. Action that could be taken included: ensuring greater participation of non-governmental and other community-based organizations, including persons infected with HIV, in policy planning; stimulating private-sector contributions to efforts to combat AIDS at all levels; ensuring that new technologies for diagnosis, treatment and prevention were readily made available to the entire world; intensifying efforts to prevent discrimination against infected people; and ensuring that the international development community, including the United Nations system, re-examined its commitment to AIDS prevention and control and contributed to that effort in a manner consistent with the Global Strategy.

56. Facing the tremendous challenges of the 1990s meant building on the achievements of the 1980s while continuing to innovate. All responses to the problem of HIV infection and AIDS must be viewed in personal, national and global

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terms. The future of AIDS was closely linked to a global acceptance of the philosophy of the United Nations itself and to a world-wide vision of humanity and solidarity.

57. Mr. TRANT (Executive Director, World Food Council), introducing the report of the World Food Council on the work of its fifteenth session (A/44/19), drew attention to some of the report's key recommendations, which required concerted support from all members of the international community. In the Cairo Declaration, adopted by consensus, the Council had called for more determined action against hunger and poverty, following the Programme of Co-operative Action that was proposed in the report. Poverty and hunger must be recognized as political problems having political solutions.

58. The Programme recommended actions that could be taken at the national and international levels to improve access to food, increase food production, direct the benefits of economic growth to the poor, and enhance the efforts being made in the areas of trade, aid, debt, resource flows, South-South co-operation and military expenditure reduction. Aid agencies must endeavour to co-ordinate their social objectives and international efforts to meet food emergencies more effectively, with regular evaluations of such activities made by the Council. While countries must take their own initiatives in combating hunger and poverty, the achievements would be maximized if they, too, sought to co-ordinate their efforts. Council members had agreed to introduce supportive social and cultural policy changes and economic reforms. They recognized that employment and income generation and the active involvement of the hungry were critical elements for the success of such strategies, which must allow women to play a central role in the development process.

59. Food production must be increased by means of food strategies emphasizing domestic research and extension, the timely provision of affordable inputs, and appropriate production incentives. Rural infrastructure and institutions must be strengthened, and agrarian reforms should lead to a more equitable distribution of productive assets. Food, nutrition and health programmes directed at vulnerable groups must be introduced and expanded.

60. The Cairo Declaration emphasized the need to increase resource flows to the developing countries and to find a speedy solution to the debt problem, since resources freed through debt relief could be invested by developing countries in food security programmes. The food security and well-being of low-income groups must be protected during the adjustment process. Multilateral financial institutions, international agencies and the international community in general must be especially sensitive to the need for changes in current approaches to adjustment. In the area of trade, all countries must be committed to the success of the current round of multilateral negotiations under GATT. In that connection, he welcomed the progress achieved during the April 1989 session of negotiations regarding agricultural trade, although further negotiations should take issues related to food security into account.

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(Mr. Trant)

61. As a step towards the elimination of starvation and famine, the elaboration of an international agreement to facilitate the safe passage of emergency food aid to those in need was recommended, as were practical measures to protect the most vulnerable groups from the effects of civil strife, war and natural disasters.

62. The Council continued to provide support for food policy management training programmes in Africa and believed that African countries must seek to strengthen their expertise in that field by means of appropriate training programmes. South-South co-operation in the area of food and agriculture should be further strengthened at the regional and interregional levels, in close co-operation with the relevant United Nations agencies. UNDP should adopt the umbrella project for the promotion of regional and South-South co-operation in the food and agricultural sector. Finally, national and international political support for the eradication of hunger and malnutrition must be increased. The elimination of hunger and poverty should be a major theme of the special session of the General Assembly to be devoted to international economic co-operation and a central objective of the international development strategy for the 1990s.

63. The Cairo Declaration constituted a realistic framework for the implementation of the Cyprus Initiative Against Hunger in the World. The Council was currently studying ways and means of implementing the Programme of Co-operative Action, and he welcomed the adoption by the Economic and Social Council of resolution 1989/88 in that connection. Drawing attention to paragraph 8 of that resolution, he announced that the Council was making a special effort to strengthen its co-ordinating role within its own mandate.

64. He welcomed also the references to the Cyprus Initiative and Cairo Declaration which the Movement of Non-Aligned Countries had in the final communiqué of its Ninth Summit Conference. Together with the President of the Council, he intended to convene a series of consultations with developing countries and the donor community to identify action that could be taken promptly and within the framework of the Cairo Declaration.

65. Mr. OHLIN (Assistant Secretary-General for Development Research and Policy Analysis), presenting the preliminary oral report called for in Economic and Social Council resolution 1989/112, said that the term "net transfer of resources" referred to a comprehensive measure of the balance of financial flows into and out of a country. Taken together, all such transactions must offset each other, with exception made for changes in the holdings of foreign reserve assets.

66. For the purposes of policy analysis, however, it was useful to distinguish financial transactions from commercial transactions. As seen from the financial side, net transfer corresponded to a net transfer of real non-financial resources. Thus a net transfer of resources into a country meant a surplus of imports over exports, excluding interest payments and remitted dividends on foreign equity. Another traditional way of analysing a country's external transactions involved distinguishing between its current account and its capital account. The two accounts must add up to zero, except for changes in foreign reserves. The capital

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(Mr. Ohlin)

account included only those financial transactions which altered a country's assets and liabilities, such as foreign borrowing or repayments of debt. A net inflow of capital thus could be defined as an increase in foreign indebtedness. Grant aid, on the other hand, was included in the current account, where, somewhat confusingly, it was referred to as a "transfer" in a slightly different sense, i.e., a transaction without a counterpart. Interest payments were also included in the current account, as they were regarded as payment for the service rendered by foreign capital.

67. The two approaches were closely related: the net transfer of resources could be defined either as the current account with financial transactions excluded, or as the net capital account with the current financial transactions included. It was not surprising, then, that the two were often confused. In a situation of no net new lending, roll-over rather than repayment of debt, no grants but heavy interest payments on debt, the result would be a large negative transfer - a large financial flow to the outside world that would be matched by a trade surplus and a shifting of real resources. Such a situation was often described as a reverse flow of capital, but that definition was inaccurate, as the level of indebtedness did not change. The concept of net transfer of resources, was analogous to the concept of cash flow in corporate finance, and, that concept was essential to an understanding of the way in which volatile financial flows gave rise to adjustments in the real parts of the economy which determined export and import flows.

68. While supply might exceed demand, or vice versa, purchases ultimately equalled sales. Similarly, net transfer was a bookkeeping entry which became significant when one analysed the process underlying changes in it. In principle, such an analysis could account for any significant changes in a country's foreign economic situation, such as a major change in the terms of trade or export supply or a change in foreign borrowing, access thereto, or associated interest levels. In recent years, attention had focused on the sharp swing from a large positive net transfer of resources to developing countries to a very large negative transfer. He drew attention to the illustrative tables which had been circulated to Committee members and pointed out that when such swings emanated from changes in access to finance, they imposed major adjustments on the real economies of debtor countries.

69. In reports which the Secretariat has prepared on that phenomenon, emphasis had constantly been placed on the forceful effect the cessation of bank lending and the rise in interest rates in the 1980s had had on Latin America, which had absorbed about \$30 billion of the swing in net transfer. In Africa, where grant aid and low-interest public aid had been more prevalent, the net transfer had hovered around zero for some time, although that figure was an aggregate for a heterogeneous group of oil-exporting and heavily aid-dependent countries.

70. The worsening of the terms of trade led to an increased demand for finance, a situation which in the past had often been accompanied by mitigating financial flows. In recent years, however, the worsening of the terms of trade for most developing countries had been accompanied by difficulties in obtaining finance,

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(Mr. Ohlin)

which had aggravated the situation of commodity-dependent and indebted countries. It should be recalled that the rapid deterioration in the net transfer situation of many developing countries was essentially an aspect of the debt situation and not a discrete problem.

71. Recent projections by such international agencies as UNCTAD, the World Bank and IMF had operated on the assumption that no major departure from current international policies would occur, a hypothesis which implied no significant change in net transfer trends or in the performance of Africa and Latin America during the first half of the 1990s. Those regions would continue to experience virtual stagnation or a decline in per capita income. There was no doubt that the most important issue at hand was the close association between changes in net transfers and changes in investment levels in countries experiencing debt-servicing difficulties. Lagging economies therefore required a major increase in investment levels to be revived. Investor confidence must be restored, as must the flow of official resources. Investments and official assistance were complementary types of resources and dependent on national policies.

72. He concluded by noting that an improvement in net financial flows was essential if the situation of any debtor country was to be reversed and assuring the Committee that the question of net transfers would be dealt with exhaustively in the World Economic Survey 1990.

73. Mr. KRYZHANOVSKI (Ukrainian Soviet Socialist Republic) said that changes in international relations over the last few years had led to a significant improvement in the world's political climate and a new awareness by States of the necessity for a joint approach to political, economic, social and humanitarian problems.

74. Despite such positive trends, particularly in the area of disarmament, there had however still been no real progress in international economic relations. The world economy, as noted in the World Economic Survey 1989, was affected by serious contradictions, such as the lack of economic growth in many developing countries, particularly in Africa and Latin America. The predicted slowing of growth in the industrially developed countries would have a further destabilizing effect on the world economic situation.

75. It was therefore understandable that the Economic and Social Council had given high priority in its work to the role of the United Nations in the development of international economic relations and to the question of multilateral co-operation. His delegation was pleased to note the constructive and purposeful atmosphere that had characterized the second regular session of the Council in 1989, and supported the important resolutions which had been adopted.

76. The Ukrainian SSR attached particular importance to the consensus resolution 1989/75 on the role of the United Nations in the early identification, analysis and monitoring of world economic developments. The accumulated expertise of the United Nations Secretariat, combined with better co-ordination between the national

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(Mr. Kryzhanovski, Ukrainian SSR)

economic research institutes, would help Governments reach a better understanding of the prospects for world economic growth and the development of international economic relations. The practical implementation of such research could lead to greater stability and predictability in economic relations, and help eliminate the remaining imbalances. Resolution 1989/111, also adopted by consensus, would also contribute to the attainment of those objectives by further enhancing the role of the United Nations in resolving international economic problems.

77. In line with a trend reflected throughout the work of the United Nations system, the Council had also given close attention to the question of the environment. In view of the universal nature of environmental problems, necessitating co-ordinated and collective efforts by all States, the Ukrainian SSR called for the elaboration, under the auspices of the United Nations, of the concept of international ecological security, with the aim of creating a new model of inter-State co-operation to minimize the consequences of environmental problems. The Economic and Social Council would have a key role to play in the application of that concept.

78. The proposed United Nations conference on environment and development in 1992 should aim initially at drawing up a programme for the evaluation of environmental hazards, under which environmental monitoring could be conducted using the latest technology, including satellite observation. The Ukrainian SSR supported the idea of setting up a United Nations centre for emergency environmental assistance, which would greatly assist the monitoring of natural processes, including those of the seas and oceans. In the establishment of the centre maximum use should be made of the United Nations institutions, as well as the voluntary participation of States both in its operation and financing.

79. A significant trend in the Council's recent work had been the search for ways to improve the social and economic activities of the United Nations system, primarily by improving the efficiency of the Council's own work. The Council's summer session had been marred by the poor participation of many delegations, and a tendency to settle for half measures and to refer the discussion of vital issues to the General Assembly. It was regrettable that the planned triennial comprehensive policy review of operational activities for development had not in fact taken place, and that failure, together with other factors, demonstrated that the Council was still not playing the significant role in the United Nations assigned to it under the Charter. The consensus resolution 1989/114 would help revitalize its work and enhance its role as the only organization capable of monitoring the social and economic activity of the United Nations both at inter-Secretariat and interregional levels. His delegation therefore welcomed the decision to consider instituting a multi-year work programme, and pledged its active support for those positive processes which would enhance the Council's role in the development and strengthening of broad and mutually advantageous international economic co-operation.

80. Mr. OBMINSKY (Union of Soviet Socialist Republics) noted that a number of measures had been taken over the last few years to streamline and render the work of the Economic and Social Council and make it more effective. His delegation attached great importance to the recommendations of resolution 1988/77 on the revitalization of the Economic and Social Council but noted that many problems concerning the substance and form of the Council's work remained unsolved. Consequently, greater significance attached to those recommendations in resolution 1989/114 concerning the elaboration of joint political approaches to the socio-economic work of the United Nations, and the multi-year work programme to be elaborated at its 1990 session.

81. Better efficiency and co-ordination in the work of the United Nations, and a consequent improved quality and efficacy in intergovernmental decisions, could be achieved by adhering to the call in resolution 1989/114 for the preparation of thematic analyses, planned to replace cross-organizational programme analyses. The proper formulation of such analyses would enhance the preventive aspect of the analytical work of the United Nations, the lack of which had been primarily responsible for the poor performance of the interorganizational programme analyses. The Council's proposals on new ways of organizing documentation would also improve the efficiency of its work, as would the recommendations concerning the rationalization of its committee meetings and the general debate, and increased support from the Secretariat for its analytical work. The as yet incomplete process of transforming the work of the Council was aimed at ensuring a swift and flexible reaction to the changing economic situation, increasing the Council's contribution to the social and economic progress of peoples and thereby ensuring the proper performance of its mandate in terms of the Charter.

82. Encouraging changes had been observed in the work of the Council, which was now characterized by a more purposeful and constructive atmosphere, conducive to effective multilateral dialogue and the reaching of consensus. The Council was to be commended on its work at the second regular session of 1989, which had made a useful contribution to the solution of international economic problems and to enhancing the role of the United Nations and the Council itself. The USSR attached great importance to resolution 1989/85 on the role of the United Nations in the early identification, analysis and monitoring of world economic developments, which exemplified the greater practical orientation of the social and economic work of the United Nations and would considerably strengthen its preventive role, increase the efficiency of its economic analysis and forecasting, and help transform the Organization into a true world centre of economic thought.

83. The Council's resolutions on economic co-operation harmonized closely with the views expressed by the Secretary-General in his report on international economic security, and in particular on the importance of policies geared to a more interdependent world economic system, with a greater degree of pluralism. The report had also drawn the important conclusion that international economic security required greater stability, predictability and reliability in combined international efforts to combat economic vulnerability in the areas of finance and trade. The USSR believed that the issue of international economic security transcended matters of regional confrontation, as it reflected the economic interdependence and very survival of the modern world.

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(Mr. Obminsky, USSR)

84. The Council had given commendable attention to the development of human resources, and by adopting resolution 1989/120 had focused on the importance of the human factor in preparing the international development strategy for the 1990s. In addition, the economic aspects of the Middle East problem had also been reviewed. The USSR saw the convening of a representative international conference on the Middle East as a vital prerequisite for the effective solution of that problem. Other important results of the Council's session were embodied in its resolutions 1989/108, 112 and 113.

The meeting rose at 6.20 p.m.