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REVIEW AND APPRAISAL OF THE OBJECTIVES AND POLICIES
OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE
SECOND UNITED NATIONS DEVELOPMENT DECADE

REDUCTION OF THE INCREASING GAP BETWEEN THE
DEVELOPED COUNTRIES AND THE DEVELOPING
COUNTRIES

Report of the Second Committee

Rapporteur: Mr. Chusei YAMADA (Japan)

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I. INTRODUCTION

1. The General Assembly, at its 2123rd plenary meeting, on 21 September 1973, allocated to the Second Committee agenda item 46, entitled "Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade".
2. At its 2156th plenary meeting, on 22 October 1973, the General Assembly decided to allocate to the Second Committee agenda item 108, entitled: "Reduction of the increasing gap between the developed countries and the developing countries" and recommended that it be considered in conjunction with item 46.
3. At the 1537th meeting, on 22 October, the Committee decided to consider items 46 and 108 concurrently.
4. In its consideration of item 108, the Committee had before it a letter dated 11 October 1973 from the Minister of External Affairs of Sierra Leone to the Secretary-General (A/9197).
5. At the 1580th meeting, on 7 December, the Committee decided to recommend to the General Assembly to defer consideration of item 108, entitled "Reduction of the increasing gap between the developed countries and the developing countries" until its twenty-ninth session (see paragraph 21 below).
6. The Second Committee considered item 46 of its agenda, at its 1534th, 1573rd, 1575th, 1576th and 1580th to 1583rd meetings, on 12 October, 30 November, as well as on 3, 4, 7 and 10 December. An account of the discussions of the Committee is contained in the relevant summary records (A/C.2/SR.1534, 1573, 1575, 1576 and 1580 to 1583).
7. Under item 46, the Committee had before it the following documents:
 - (a) Report of the Trade and Development Board on its fifth special session (A/9015), Part I;
 - (b) Report of the Economic and Social Council on the work of its fifty-fourth and fifty-fifth sessions (chap. III, sect. A); 1/
 - (c) Note by the Secretary-General (A/C.2/L.1287);
 - (d) Report of the Working Party on Review and Appraisal (A/C.2/L.1329);
 - (e) Letter dated 6 December 1973 from the Permanent Representatives of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics to the United Nations addressed to the Secretary-General (A/9389);

1/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 3 (A/9003).

- (f) Letter dated 22 November 1973 from the Permanent Representative of Algeria to the United Nations addressed to the Secretary-General (A/9330);
- (g) Report of the Secretary-General on review and appraisal at the national level (E/5354);
- (h) Reports of the Committee on Review and Appraisal on its first and second sessions; 2/
- (i) Report of the Committee on Science and Technology for Development on its first session; 3/
- (j) Note by the Secretariat on country participation in the first global review and appraisal of the International Development Strategy (E/5285 and Add.1);
- (k) Report of the Committee for Development Planning on its ninth session; 4/
- (l) Report of the Secretary-General entitled The International Development Strategy: First Over-all Review and Appraisal of Issues and Policies; 5/
- (m) Implementation of the International Development Strategy: Papers for the First Over-all Review and Appraisal of Progress during the Second United Nations Development Decade, volumes I and II; 6/
- (n) Summary record of the 1879th meeting of the Economic and Social Council (E/SR.1879);
- (o) Summary records of the 637th, 642nd, 643rd, 652nd and 668th to 670th meetings of the Economic Committee of the Economic and Social Council (E/AC.6/SR.637, 642, 643, 652 and 668 to 670).

2/ Official Records of the Economic and Social Council, Fifty-third Session, Supplement No. 11 (E/5184); and *ibid.*, Fifty-fifth Session, Supplement No. 11 (E/5316).

3/ *Ibid.*, Fifty-fifth Session, Supplement No. 4, (E/5272).

4/ *Ibid.*, Supplement No. 5 (E/5293).

5/ United Nations publication, Sales No.: E.73.II.A.6.

6/ United Nations publication, Sales No.: E.73.II.A.2 and E.73.II.A.3.

II. CONSIDERATION OF THE DRAFT RESOLUTIONS

A. Draft resolution A/C.2/L.1329

8. At its 1534th meeting, on 12 October, the Second Committee established a working party of the whole to consider item 46 of its agenda.

9. At the 1575th meeting, on 3 December, the Rapporteur of the Working Party on Review and Appraisal, Mr. R. J. Gates (New Zealand), introduced the report of the Working Party (A/C.2/L.1329) containing a draft resolution entitled "First biennial over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade". The Chairman of the Working Party, Mr. N. P. Jain (India), also made an introductory statement.

10. At the 1580th meeting, on 7 December, the Committee adopted, without a vote, the draft resolution recommended by the Working Party (see paragraph 20 below, draft resolution I).

B. Draft resolution A/C.2/L.1323/Rev.1

11. At the 1573rd meeting, on 30 November, the representative of Guyana, on behalf of Algeria, Barbados, Bolivia, the Central African Republic, Colombia, Cuba, the Dominican Republic, Ecuador, Egypt, Ethiopia, Guinea, Guyana, Indonesia, Iraq, Jamaica, Kuwait, Liberia, Malaysia, Mali, Morocco, the Niger, Nigeria, Oman, Peru, the Philippines, Sierra Leone, Somalia, Sri Lanka, the Sudan, the Syrian Arab Republic, Trinidad and Tobago, Tunisia, the United Republic of Tanzania, the Upper Volta, Venezuela, Yugoslavia and Zambia, introduced a draft resolution (A/C.2/L.1323), entitled "Economic co-operation among developing countries", which he orally revised by:

(a) Replacing the word "States" by the word "countries" in the last paragraph of the preamble;

(b) Adding the words "inter alia" after the words "further and vigorous steps" at the end of operative paragraph 1;

(c) Rewording subparagraph 1 (c), to read as follows:

"(c) To promote, establish or strengthen economic integration at the regional and subregional levels;"

Argentina also joined in sponsoring the draft resolution.

12. At the 1576th meeting, on 4 December, the representative of Guyana, on behalf of the original sponsors, now joined by India, Jordan, Madagascar and Nepal, introduced a revised draft resolution (A/C.2/L.1323/Rev.1) which took into account the oral revisions made at the 1573rd meeting, as well as the inclusion of the following additional operative paragraph 6:

/...

"6. Requests the Committee for Development Planning to give high priority to the study and evaluation of economic co-operation among developing countries and to present a report to the Committee on Review and Appraisal for its consideration at the mid-term review of the International Development Strategy."

In introducing the revised draft resolution (A/C.2/L.1323/Rev.1), the representative of Guyana further orally revised operative paragraph 6 by inserting the words "including in particular scientific and technical co-operation" between the words "developing countries" and the word "and", and by deleting the words "present a" before the word "report". Ghana, Qatar, and the United Arab Emirates also joined in sponsoring the revised draft resolution.

13. At the same meeting, the Committee proceeded to vote as follows on the revised draft resolution (A/C.2/L.1323/Rev.1), as orally revised, on which separate votes on subparagraphs 1 (d) and (e) were requested by the representative of the Federal Republic of Germany:

(a) Subparagraph 1 (d) was adopted by a roll-call vote of 112 to none, with 9 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Fiji, Finland, Gabon, German Democratic Republic, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: None.

Abstaining: Belgium, Canada, France, Germany (Federal Republic of), Italy, Japan, South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America.

/...

(b) Subparagraph 1 (e) was adopted by a roll-call vote of 116 to none, with 7 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Canada, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Fiji, Finland, France, Gabon, German Democratic Republic, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: None.

Abstaining: Belgium, Germany (Federal Republic of), Israel, Italy, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America.

(c) The revised draft resolution (A/C.2/L.1323/Rev.1) as a whole, as orally revised, was adopted without a vote (see paragraph 20 below, draft resolution II).

C. Draft resolution A/C.2/L.1338

14. At the 1583rd meeting, on 10 December, the representative of the Netherlands, on behalf of the delegations of Afghanistan, Argentina, Bolivia, Ethiopia, Germany (Federal Republic of), Guyana, India, Indonesia, Iran, Japan, Malaysia, Mexico, Nepal, the Netherlands, New Zealand, Nigeria, Norway, Pakistan, Paraguay, Peru, the Philippines, Sweden, Turkey, the United Kingdom of Great Britain and Northern Ireland, Yugoslavia and Zaire, introduced a draft resolution (A/C.2/L.1338) entitled "Preparations for the mid-term review and appraisal of the International Development Strategy".

15. In introducing the draft resolution, the representative of the Netherlands, on behalf of the sponsors, orally revised the sixth preambular paragraph to read as follows:

"Considering that since the adoption of the Strategy new issues and concepts have emerged, such as those mentioned in paragraph 4 of the first biennial over-all review and appraisal of progress in the implementation of the International Development Strategy contained in General Assembly resolution _____ (XXVIII), which require further study,".

16. At the same meeting, the draft resolution (A/C.2/L.1338), as orally revised, was adopted without a vote (see paragraph 20 below, draft resolution III).

D. Draft resolution A/C.2/L.1337

17. At the 1582nd meeting, on 10 December, the representative of Pakistan, on behalf of the delegations of Algeria, Argentina, Bolivia, Brazil, Chile, Colombia, Dahomey, the Dominican Republic, Ecuador, Egypt, Guyana, India, Iran, Iraq, Jamaica, Kenya, the Libyan Arab Republic, Madagascar, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru, the Philippines, Romania, the Sudan, Tunisia, Venezuela, Yugoslavia, Zaire and Zambia, introduced a draft resolution (A/C.2/L.1337) entitled, "Quantification of scientific and technological activities related to development".

18. At the 1583rd meeting, on 10 December, the representative of Pakistan, taking into account the various suggestions made, orally revised the draft resolution (A/C.2/L.1337) on behalf of the sponsors, by:

- (a) Deleting the word "such" in the third preambular paragraph; and
- (b) Rewording operative paragraph 2 as follows:

"Further decides to include in the provisional agenda for its twenty-ninth session an item entitled "Quantification of scientific and technological activities related to development, including the definition of the quantitative targets contemplated in paragraph 63 of the International Development Strategy".

Uruguay also joined in sponsoring the draft resolution (A/C.2/L.1337).

19. At the same meeting, the Committee adopted the draft resolution (A/C.2/L.1337), as orally revised, without a vote (see paragraph 20 below, draft resolution IV).

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

20. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

First biennial over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade

The General Assembly,

Having undertaken, in accordance with paragraph 83 of its resolution 2626 (XXV) of 24 October 1970, an examination of the economic and social developments since the launching of the Second United Nations Development Decade,

Adopts the following first biennial over-all review and appraisal of the progress in the implementation of the International Development Strategy for the Second United Nations Development Decade:

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I. INTRODUCTION

1. It was implicit in the very concept of a biennial review, accepted in 1970, that such a review would afford an opportunity for a broad appraisal of past performance and to draw therefrom implications for the future. Information about the experience of the first two years of the Second United Nations Development Decade (1971-1972) is, as yet, insufficient to enable a full, factual and comprehensive analysis of the progress made or shortfalls encountered, or to define new goals which could call into question the ones already embodied in the International Development Strategy. At the same time, the changes in qualitative perception and the suggestions for modifications of the present indicators do not justify the abandonment of efforts to evaluate quantitatively wherever this is possible. In any case the task of review and appraisal is not to analyse isolated examples of progress or to study certain indicators, but to assess over-all trends and progress in achieving integrated economic and social development. It is apparent from this assessment that the experience of the past two years remains a cause for great concern.

2. Since 1970, the world economy has experienced a series of monetary crises which have had severe repercussions, especially on the developing countries because of their generally greater vulnerability to external economic impulses. Moreover, significant changes have been taking place in international economic relations, particularly among the advanced countries. At the same time, the international community has become visibly more impressed with the interdependence of its common problems and, in particular, with the interdependence of different categories of problems which in the past, even when considered, were addressed separately. The changing relationship among developed countries provides the opportunity for devising new forms of international co-operation which should embrace the interests of all countries and which should give a significant impetus to the economic and social progress of the developing countries. It is increasingly recognized that the present distribution of economic power in the world is imbalanced and the realization is growing that developing and developed countries share a common interest in a rational and equitable functioning of the world economy. The growing understanding of the determinants of the development process should also serve as a helpful force.

3. However, judged in terms of international action since 1970, the cause of development has lost momentum. Despite the action taken by some developed countries, the net aggregate flow of financial resources to developing countries has made little progress towards the target specified in the Strategy and net official development assistance as a share of the gross national product of the developed countries, which is of critical importance, has made virtually no progress at all. Despite the expansion of the operations of international financial organizations in recent years, the tight rein exercised over their operations has meant that such operations have not expanded as rapidly as the demand for them, thus creating grave difficulties for developing countries at a moment when their need for development support is the greatest. Some activities of some international corporations have also given rise to concern in a number of cases. On the trade front, while some progress was achieved, neither innovations nor measures for implementation since the adoption of the International Development Strategy have matched expectations.

/...

4. The Strategy was conceived and must be implemented in a dynamic and forward looking manner. Since the adoption of the Strategy new preoccupations and new concepts affecting the development process of developing countries have emerged while others have assumed greater urgency. These include the persistent inflationary pressures in the principal developed countries and the monetary disturbances, affecting in particular the developing countries, the concern for the preservation of the human environment and its relation to development, the interdependence of development and population factors, the problem of mass poverty and unemployment and income-distribution in many countries, the impact of multinational corporations, the threat of a world food shortage and the potential exploitation of mineral resources of the sea-bed outside the limits of national jurisdiction.

5. In spite of the significant efforts made by developing countries, their average rate of economic growth actually showed a decline from the level reached towards the end of the past decade. This average, furthermore, conceals wide disparities in the rates of economic growth achieved by various developing countries. Even the modest beginning towards narrowing the gap in living standards between developed and developing countries, stipulated in the Strategy, is not yet in sight.

6. The development objective must have a central place in the constellation of great issues to which the international community should urgently seek effective and consistent solutions. International peace and security, based on justice and on the principles of territorial integrity, self-determination and freedom from all external pressures on sovereignty and fundamental freedoms and other principles as embodied in the Charter of the United Nations, are necessary conditions for the social and economic progress of all countries. The extension of the relaxation of tension to all regions of the world on the basis of the aforementioned principles would thus enable all countries, irrespective of their social and economic system or level of development, to benefit from this process and utilize it for the realization of the goals and objectives for economic and social progress of the Second Development Decade. Peace, security, freedom from all forms of external pressures and coercion and a general climate of détente could and should create greater opportunity for development support for the benefit of developing countries. The accelerated development of the developing countries will, in turn, contribute to the promotion of greater stability and to the strengthening of world peace and security.

7. Parts of the developing world are still subjected to colonialism, racial discrimination, apartheid and foreign occupation, and other forms of external pressure on their sovereignty and fundamental rights, with harmful effects on the development efforts of the peoples and countries concerned. The task therefore consists of removing, without delay, all these negative factors.

8. Urgent action must be taken to implement those policy measures adopted in the Strategy that have not been implemented so far. It is essential that developed countries display the necessary political will to accord higher priority to the implementation of these measures so as to provide a framework conducive to the accelerated progress of the developing countries. As part of their primary responsibility for development, developing countries should maintain and reinforce their vigorous policy measures.

9. The central purpose remains to diminish the gross inequalities in economic development and social welfare that have widened among and in some cases within the nations of the world and to attack poverty, particularly in ways that improve the condition of the poorest groups within the poor countries. Such is the spirit of the International Development Strategy that the States Members of the United Nations unanimously adopted in 1970, and this is also the spirit that has oriented its first review and appraisal.

10. There are very substantial complementarities among the major goals and objectives of the International Development Strategy. Agriculture, which is at present the predominant sector of activity in most developing countries and which is currently of great concern to many of them, has to be expanded, diversified and modernized. The transformatory role of industry on the development of agriculture, transport and other sectors and its ability to absorb a greater proportion of the growing labour force has to be enhanced. Development includes a multiplicity of objectives and programmes which, if properly integrated, will bring about increased output as well as improvements in employment, income distribution, education, health and nutrition. Man is both producer and consumer; his well-being is both a determining factor in and an end-result of development. These dimensions of development require a unified approach in planning and a political will to bring about the necessary structural and institutional changes in the light of the circumstances prevailing in the countries concerned. The developing countries that make these changes need not only encouragement but also appropriate international assistance.

11. Against the background outlined above, the first exercise of over-all review and appraisal has been undertaken on the basis of a general evaluation of the record concerning the attainment of the goals and objectives of the International Development Strategy and the implementation of the policy measures in this regard, in the light of the efforts of developing countries and the performance of developed countries. This exercise should necessarily lead to further defining the policy measures needed to carry out the provisions of the Strategy. It could, moreover, facilitate the elaboration of the Charter of Economic Rights and Duties of States. 7/

7/ United Nations Conference on Trade and Development resolution 45 (III) of 18 May 1972.

II. GENERAL EVALUATION

A. Attainment of goals and objectives

12. The balance sheet of the first two years of the Second United Nations Development Decade shows that development problems, far from being solved, have become increasingly acute. In many cases there has been a setback in comparison with the situation prevailing in the latter part of the past decade, though the recent economic boom in the industrialized countries has brought at least some temporary advantages to some developing countries. The main features of the record concerning the attainment of the goals and objectives of the International Development Strategy are enumerated in paragraphs 13 to 17 below.

13. Preliminary evidence ^{8/} suggests that the average annual rate of growth of the gross domestic product of the developing countries during the first two years of the Second United Nations Development Decade approximated to an annual average of 5.5 per cent which was also the average of the first United Nations Development Decade (1961-1970). This is still some 10 per cent below the 6 per cent target for the Second Development Decade. The rate of growth of per capita gross domestic product of these countries was not much above 2.5 per cent. The over-all growth achievements varied widely region by region and within regions. Many developing countries, in particular the least developed countries, experienced lower rates (see table 1).

Table 1. Gross domestic product

(International Development Strategy target, 1971-1980: 6 per cent per annum)

	Average annual rate of	Percentage change from	
	change (percentage)	preceding year	
	<u>1961-1970</u>	<u>1971</u>	<u>1972</u>
Developing countries (total)	5.5	5.4	5.5
Latin America	5.6	6.3	6.4
Africa	4.8	4.1	5.0
West Asia	8.1	10.4	10.8
Southern and South-East Asia	5.0	3.4	3.3

Source: World Economic Survey, 1972 (United Nations publication, Sales No. E.73.II.C.1) and the Centre for Development Planning, Projections and Policies of the United Nations Secretariat.

^{8/} Quantitative statements in this document are based on the provisional data contained in the World Economic Survey, 1972 (United Nations publication, Sales No. E.73.II.C.1) as subsequently updated by the Centre for Development Planning, Projections and Policies of the United Nations Secretariat in November 1973 and on projections relating to population which suggest an annual rate of increase in the population of developing countries of over 2.5 per cent.

14. Unfavourable weather aggravated the structural deficiencies in the agricultural sector. Agricultural production suffered a serious setback in a large number of countries; particularly in developing countries the rate of expansion was far below the target of 4 per cent specified in the Strategy (see table 2).

15. Manufacturing output expanded at a rate approximating the target rate of 8 per cent suggested in the Strategy (see table 3). The industrial base is, however, still too small in most developing countries for self-sustained expansion to meet needs of either domestic or external markets. Moreover, the linkages between industry and other sectors of the economy remain far from adequately developed.

16. The quantum of exports of developing countries expanded at an annual rate significantly below the target of somewhat higher than 7 per cent as specified in the Strategy. For most developing countries, the rate was only about 5 per cent, significantly lower than the rate achieved in the past Decade. The quantum of imports also was markedly below the Strategy target of an expansion of somewhat less than 7 per cent. In terms of United States dollars, in 1971 and 1972, while exports of developing countries increased at the average rate of 15 per cent, their

Table 2. Agricultural production

(International Development Strategy target 1971-1980: 4 per cent per annum)

	<u>Average annual rate of</u>	<u>Percentage change from</u>	
	<u>change (percentage)</u>	<u>preceding year</u>	
	<u>1961-1970</u>	<u>1971</u>	<u>1972</u>
Developed market economies	2.5	6	-1
Centrally planned economies	3.0	2	-1
Developing countries	2.8	1	-

Source: World Economic Survey, 1972 (United Nations publication, Sales No. E.73.II.C.1) and the Centre for Development Planning, Projections and Policies of the United Nations Secretariat.

Table 3. Manufacturing production

(International Development Strategy target 1971-1980: 8 per cent per annum)

Developed market economies	5.8	1.3	6.7
Centrally planned economies			
of Eastern Europe	8.6	8.4	7.3
Developing countries	6.4	7.6	8.1

Source: World Economic Survey, 1972 (United Nations publication, Sales No.: E.73.II.C.1) and the Centre for Development Planning, Projections and Policies of the United Nations Secretariat.

imports increased by 12.8 per cent. The terms of trade for most developing countries deteriorated in 1971 after a record of over-all relative stability throughout the preceding Decade, and did not recover fully in 1972 (see table 4).

17. Redistribution of income has not made sufficient progress in many developing countries. Unemployment continues to loom large. Education and health facilities are increasing but are still far short of needs. Housing shortages remain acute. Malnutrition is widespread. All these elements have exacerbated the problem of mass poverty in many developing countries.

F. Efforts of developing countries

18. The experience of developing countries in national planning has been steadily increasing. Their planning mechanisms are strengthening with the passage of time, and in some cases their influence in the most important economic and social decisions has increased. Successive generations of development plans reflect continuing improvements both in techniques of plan formulation and procedures for plan implementation. A number of current development plans also indicate a growing awareness of the need to pursue, in the light of their circumstances, patterns of development in which the expansion and structure of production are attuned to resolving such problems as mass poverty and unemployment. Much, however, still remains to be done in this regard.

Table 4. Change in trade levels of developing countries

	<u>Developing countries (total)</u>			<u>Developing countries (excluding petroleum exporters)</u>		
	<u>Average annual rate of change (percentage)</u>	<u>Percentage change over preceding year</u>		<u>Average annual rate of change (percentage)</u>	<u>Percentage change over preceding year</u>	
	<u>1961-70</u>	<u>1971</u>	<u>1972</u>	<u>1961-70</u>	<u>1971</u>	<u>1972</u>
Quantum						
Exports	6.6	6.5	6.1	5.8	4.8	5.1
Imports	5.5	6.2	3.1	5.8	4.7	1.7
Value						
Exports	7.0	12.4	17.7	7.1	4.7	20.9
Imports	6.4	14.3	11.4	6.8	13.6	10.2
Terms of trade ^{a/}	-	- 2.0	+ 2.6	-	- 8.5	+ 6.1

Source: Centre for Development Planning, Projections and Policies of the United Nations Secretariat.

^{a/} Provisional data.

19. Institutional changes covering a wide spectrum of productive activity have been undertaken in developing countries. With respect to natural resources, institutional changes have been introduced in recent years to achieve more efficient resource utilization and greater participation by the State in resource development. In some developing countries, nationalization, the association of the State with foreign enterprises and the modification of concessions and régimes for the development, marketing and transport of natural resources have been the principal means employed in order to effect such changes. Considerable emphasis has been placed on land reforms in recent years, though actual experience in this regard has not been very impressive so far. The need for renewed attention to land reforms that are in consonance with the socio-economic requirements of the countries concerned remains great. Other fundamental changes in the traditional economic and social structures and institutions are also essential to remove obstacles to and accelerate the pace of social progress and economic development. Of particular importance is the need to eliminate the substantial underutilization of production capacity in manufacturing industries and to orient the pattern of industrial production towards meeting the requirements of both employment and mass consumption. The beneficial role that a suitably designed construction activity can play has not, as yet, been fully explored in developing countries.

20. Developing countries have adopted a wide array of measures aimed at the development of their human resources. Many developing countries have defined their demographic policies: while some consider a rapid population growth desirable for attaining their development objectives, others recognize the need for a reduction in the rate of population increase for the same purpose. In some countries, significant reductions in birth-rates have taken place. The capacity to sustain adequate programmes for making available means of family planning remains limited in those developing countries that require them in the context of their demographic policies. There has been progress towards spreading the benefits of economic growth, especially through expansion of educational and health facilities, low-cost housing for the poorer sections of the population and other improvements, but much remains to be done, especially in improving the provision of these facilities in rural areas. Furthermore, efforts to orient educational systems towards development priorities need to be strengthened.

21. The developing countries have generally improved their efficiency with regard to the use of development resources. Moreover, the measures employed in developing countries to mobilize domestic financial resources for development have continued to be strengthened. The ratio of gross domestic saving to the gross domestic product of developing countries has shown a significant increase. Expansion and improvement of tax systems and related measures have made significant contributions, but still more vigorous action is required in order to raise the saving ratio at a faster rate. As many developing countries are heavily dependent on exports, the pace of expansion of exports continues to exercise an important influence on the saving ratio.

22. Developing countries have made significant efforts to promote trade among themselves and to establish or strengthen regional, subregional or interregional economic co-operation and integration. There is growing recognition that action in this area can help to improve the economic situation of developing countries. The need for support and perseverance in such programmes of co-operation and for the devising of new and more effective approaches remains undiminished.

23. The economies of developing countries generally remain sensitive to external conditions and, therefore, to the policies and actions of developed countries. Thus, the success of bold and far-reaching efforts by developing countries to accelerate their economic and social progress remains contingent upon the availability of favourable external factors. Inadequacies and shortcomings in the terms of trade, transfer of technology, technical and financial assistance and in the structure of world trade have adversely affected the economies of developing countries. The present structure of world trade has hampered progress towards a more rational and equitable international division of labour. An assessment of the performance of developed countries in terms of their contribution to improving the economic environment for the accelerated progress of developing countries is therefore not only pertinent but also crucial.

C. Performance by developed countries

24. Three years after the adoption of the International Development Strategy, only some developed countries have demonstrated a welcome sense of commitment to the provisions of the Strategy; others have not yet done so and have as yet to introduce major policy changes in its support. The preoccupation of many developed countries with the readjustment of their mutual relations should not result in their according a lower priority to the development problems of developing countries and to the need for implementing the policy measures embodied in the Strategy.

25. While some progress has been made in designing practical measures to expand the international trade of developing countries, their implementation has remained unsatisfactory, and leaves room for further improvement. The least developed countries in particular have not benefited from any significant measures in the field of trade.

(a) The international community reached no agreement on a set of general principles on a pricing policy and access to markets for commodities by the date set in the Strategy.

(b) The only new major achievement with regard to primary commodities was the conclusion of the International Cocoa Agreement, ^{9/} the preparation of which extended over more than 16 years and which has not yet been ratified by all major importing countries. Arrangements made by a few countries for the financing of buffer stocks are also worth mentioning. Several primary commodities of interest to a large number of developing countries still suffer from a lack of access to external markets and of an adequate and broadly based non-discriminatory pricing policy by developed countries. Intergovernmental consultations on commodities of special interest to developing countries, in particular natural materials facing competition from synthetics, are currently under way. Until now, however, practical measures to improve the competitive position of exports from developing countries of such natural materials have so far been extremely limited. In some cases, the competitive position of some primary commodities has been directly threatened by increased production of synthetic materials.

^{9/} TD/COCOA.3/8.

(c) Although the arrangements introduced by developed countries within the generalized system of preferences represent a break-through in the traditional concept of international trade and co-operation, their benefit to developing countries has so far been of a modest nature, particularly in the case of the least developed countries. This is due, *inter alia*, to the general non-inclusion of items falling within chapters 1 to 24 of the Brussels Tariff Nomenclature, the exclusion of a number of items in chapters 25 to 99 and also the introduction in these schemes of safeguard clauses, ceilings and other non-tariff barriers and clauses. Although some developed countries have taken encouraging steps, not all of them have as yet implemented the generalized system of preferences. Even the limited benefits accruing to developing countries from this system are in danger of being eroded both by preferential arrangements among developed countries and by the prospects of reductions in trade barriers among them following the Multilateral Trade Negotiations.

In this connexion, the recognition of the Declaration of Ministers in Tokyo on 14 September 1973 that the generalized system of preferences should be maintained and improved is worthy of note. The stated intention of the Contracting Parties to the General Agreement on Tariffs and Trade "to secure additional benefits for the international trade of the developing countries" must be fully taken into account.

(d) The provisions of the Strategy to maintain a standstill, particularly on tariff and non-tariff barriers on manufactured and semi-manufactured products, have not been fully and strictly observed by some developed countries. Though some quantitative restrictions have been relaxed or removed over the past two years by certain developed countries, new non-tariff barriers to trade have also been introduced. Such increasing resort to non-tariff barriers to trade is a matter of serious concern. The case of textiles provides a particularly notable example of such barriers.

(e) The trade between socialist countries of Eastern Europe and developing countries continued to develop. The value of trade continued to increase in the first years of the Second United Nations Development Decade, but since there had been a marked increase in the last two years of the 1960s, the rate of increase in the first two years of the 1970s was lower. While the share of manufactures and semi-manufactures in the imports of these socialist countries from the developing world is as yet small, an encouraging increase is taking place. Similarly, the number of their trading partners among developing countries is increasing. New trade arrangements with developing countries have been entered into. Improvements to bring about greater flexibility and multilateralization of payments with the co-operation of all parties concerned are being sought.

(f) On the whole, developed countries have made slower and more limited and disappointing progress than expected in their efforts to implement the provision in the Strategy that they will, through joint or unilateral action, accord priority to reducing or eliminating barriers to the export trade of the developing countries.

26. The progress towards the attainment of the key targets of the International Development Strategy for the transfer of financial resources to the developing countries has been disappointing. The fulfilment of these targets, within the time-limits specified, is of vital importance for the attainment of the goals and objectives of the Strategy. While some developed countries have enlarged their financial contributions, the over-all effort has been disappointing and the availability of external financial resources has remained far from commensurate with the needs of developing countries.

(a) The net aggregate transfer of financial resources from the developed market economies to the developing countries, as a proportion of the gross national product of these economies, rose from 0.71 per cent in 1970, to 0.74 per cent in 1971 and fell to 0.69 per cent in 1972, but remained well below not only the target of 1 per cent but also the level reached in 1961 - namely 0.86 per cent. Official development assistance, which is designed to be concessional and is in the view of most countries the critical component of the net transfer, rose only nominally from 0.33 per cent in 1970 to 0.34 per cent in 1971 and slipped back to 0.33 per cent in 1972 ^{10/} as against the level of 0.50 per cent reached in 1961 - while the target for such assistance is 0.70 per cent. Unless current trends are reversed, neither of these targets is likely to be reached by the dates envisaged in the Strategy; these trends point to particularly discouraging prospects in regard to the official development assistance target. The over-all proportion of grants to loans in official development assistance fell marginally over the two years but the grant element of loans increased slightly. Although some developed countries maintained a high proportion of their official development assistance in grant form, on the average development loans were on slightly harder terms in 1971 than in 1970. Although some developed countries already extend their assistance on an untied basis or have recently taken steps towards unttying, on the whole there has been little progress towards the goal of untied loans.

(b) The transfers of financial resources from the socialist countries of Eastern Europe increased substantially during the first years of the Second United Nations Development Decade, although the amount actually disbursed on a year-to-year basis is not known. These transfers have been provided on fairly soft terms.

(c) In the face of a level of official development assistance well below their needs, developing countries have increasingly resorted to commercial loans at higher cost. This has meant that the burden of external indebtedness is becoming more pressing. Servicing the public debt of the developing countries absorbed about 10 per cent of their export earnings in 1971; the debt-servicing problem of some of these countries were particularly serious. This situation will continue to deteriorate and the ratio will rise rapidly unless countermeasures are urgently taken.

^{10/} Based on data provided by the Organisation for Economic Co-operation and Development on flows to developing countries as defined by the United Nations; grants by voluntary agencies are excluded.

27. The attainment of the Strategy objectives relating to the earnings of developing countries from invisible trade continues to encounter difficulties. Although there was a slight increase in relation to general cargo shipping, the over-all share of developing countries (excluding ships registered under flags of convenience) in world shipping tonnage declined from 6.3 per cent in 1970 to 5.5 per cent in 1972. Nevertheless the tonnage owned by developing countries increased in the same period from 20.4 million dead weight tonnage (DWT) 11/ in 1970 to 22.3 million DWT in 1972. The sharp increases in freight rates in 1971, which were not welcome to shippers of any country, aggravated the balance-of-payments problems of developing countries.
28. While studies have been made or initiated in the United Nations that have further identified restrictive business practices affecting the trade and development of developing countries, the concrete results envisaged in the Strategy have so far proved elusive. Restrictions on the trade and development of these countries continue to be experienced via some foreign marketing and distribution arrangements and certain activities and business practices of some transnational corporations and other enterprises of developed countries.
29. Some significant and concrete steps have already been taken in designing and in some cases in adopting measures in favour of the least developed countries, as later defined at the third session of the United Nations Conference on Trade and Development, through both bilateral and multilateral channels of assistance. Such cases include the decision, within the United Nations Development Programme, to revise its indicative planning figures in a way that will benefit these countries, and the decision taken by some countries to earmark funds for them. However, the measures that have been adopted up to the present have not been commensurate with the needs of these countries.
30. As regards the special problems of the land-locked developing countries, progress was achieved in some cases, in particular in the improvement of administrative procedures, mainly through co-operative action with other developing countries. However, unfortunately, three years after the adoption of the International Development Strategy it is both necessary and important to implement the programme of action devised by the United Nations Conference on Trade and Development at its third session in order to enable the land-locked countries to overcome their special difficulties.
31. Questions relating to the transfer of operative technology to the developing countries have continued to be studied in intergovernmental forums, but significant action has not been taken at the international level since the adoption of the Strategy. Public transfers of technology on concessional terms have as yet been limited. Moreover, private transfers of technology, which are responsible for the bulk of the transfers, generally continue to follow traditional market practices. In too high a number of cases, such transfers have taken place on terms that are inconsistent with the development objectives of developing countries, with adverse effects on the technological infrastructure and the balance of payments of the developing countries concerned.

11/ United Nations Conference on Trade and Development, Review of Maritime Transport, 1972, paras. 36-39 and table VI. Equivalent figures in gross registered tonnage (GRT): 6.7 per cent in 1970, 6.1 per cent in 1972, 14.5 million GRT in 1970 and 15.9 million GRT in 1972.

32. Adjustment measures in developed countries have been recommended in a number of decisions taken at the international level. However, most developed countries have not as yet adopted measures specifically designed to allow the use of adjustment assistance to industries, firms or workers that are, or are threatened to be, adversely affected by increased imports and thereby to create greater market opportunities for developing countries and a more rational international division of labour.

D. Overview

33. The general evaluation set out in paragraphs 12 to 32 above suggests that the International Development Strategy remains much more a wish than a policy. It has not yet taken hold with anything like the force needed. Generally, in the developing countries recognition of the complementarities among the major goals and objectives of development and of the need for economic growth to be accompanied by qualitative and structural changes in society as laid down in the International Development Strategy has not yet been adequately reflected in their development programmes and policies. This includes, inter alia, building into the development programme of each country measures for spreading the benefits of economic growth and for overcoming the underutilization of production capacity as well as the orientation of educational systems towards development priorities. It is obvious that top priority should be given in programmes to social and economic solutions which are truly sound, far-reaching and integral. These solutions are implicit in a correct concept of development which, starting from internal structural changes necessary in the light of the special characteristics of each country, encompasses all the key sectors whose balanced growth is essential for the achievement of a self-sustained growth of national economies. These structural changes, which are a prerequisite for any integrated development process, include, inter alia, the control of and sovereignty over natural resources, the modification of land tenure systems, as well as other measures as required in order to promote independent self-sustaining economic growth and social justice. This process is inseparable from another process of a social character which calls, in conformity with national plans and priorities, for the raising of employment rates to the highest possible level, income redistribution, combating the problems of expatriation of local capital and the brain drain, and the over-all solution of problems such as health, nutrition, housing and education. Any national endeavour to achieve truly dynamic, effective and independent development presupposes an active and democratic participation of the people. The developing countries that adopt measures of this kind should receive due support from the international community. The necessary international co-operation has been inadequate.

34. The attitude of some developed countries as well as the unacceptable practices of those transnational corporations that infringe the principle of sovereignty of developing countries did not help in creating a situation suitable for the purposes of the International Development Strategy. Although there has been a slight increase in the over-all flow of official resources for the developing countries, as a percentage of the gross national production of developed countries it has actually remained stagnant and still insufficient to meet the needs of the developing countries. Furthermore the existing structure of international trade has restricted the growth of exports of the developing countries. Mention should also be made of

the internal difficulties caused by the inflationary effect of the rising costs of imports. In a number of cases the already heavy burden on the balance of payments caused by remittances for payments of profit of private foreign investment and for debt servicing has been increased, among other reasons, as a result of currency realignments. The monetary crisis has also adversely affected the growth of international trade.

35. A more in-depth examination than has been possible at this first review is needed to determine fully the causes of shortfalls in achieving the International Development Strategy targets. One major reason for the shortfall in the over-all growth rates of the developing countries was the failure in 1972 to increase agricultural production. A large number of developing countries experienced actual decreases in the output of agriculture, which bulks large in the economies of most developing countries in spite of their efforts towards industrialization which is generally accepted as an essential requirement for their development. Some developing countries also experienced difficulties in making progress towards the goals of the International Development Strategy, including higher levels of employment and better distribution of income. In some cases, assistance for development needs was diverted to meet consumption requirements.

36. Most developing countries have embarked upon economic development planning on the basis of nationally determined priorities. This should assist in attracting and committing assistance to speed development. The further establishment of appropriate institutions and the endowment of human resources with professional and technical skills are essential preconditions for the administration and effective use of national resources. The building of an economic and social infrastructure can be hastened by appropriate technical assistance. Such action is important if the targets of the Second United Nations Development Decade are to be met by most developing countries.

III. FURTHER ACTION

37. International action to achieve the goals and objectives of the International Development Strategy is part of the continuing effort of the world community to assist in the economic and social progress of developing countries in the context of a rapidly changing world situation. Since the adoption of the Strategy, several developments have taken place on the international economic scene which have a direct bearing on the achievements of the goals and objectives as well as the implementation of the policy measures embodied in the Strategy. The discouraging experience of the first two years of the Decade makes it urgent not only to implement the existing targets and policy measures of the Strategy, but also underlines the need for further action by developing and developed countries in various fields. Thus, existing measures should be adapted and new ones formulated to offset the shortfalls in achieving the goals and objectives of the Strategy, and to keep it responsive to emerging conditions. It is therefore essential not only to implement the policy measures agreed upon but also to seek new areas of agreement, widen the existing ones, evolve new concepts, and seek agreement on additional measures within a time-bound programme. The aim should be to establish new structural relationships between developed and developing countries on the basis of equitable co-operation and mutual benefit. Developing countries, mindful of the desirability of self-reliance, should continue to exert vigorous efforts for their accelerated progress towards self-sustained and integrated development. At the same time, in the spirit of global partnership and mindful of common interests, developed countries should exert equally vigorous efforts to bring their policies and priorities into line with the provisions of the Strategy; this should be facilitated by further normalization of international relations. Developed countries should reconsider the reservations they expressed at the time of the adoption of the Strategy, with a view to withdrawing them and help to make the Strategy an effective instrument of international co-operation for development. Developing and developed countries alike have the responsibility to enhance and preserve the human environment in consonance with the requirements of development. The collective efforts of the world community to implement the Strategy should help to elaborate further the economic rights and duties of States. It is necessary to respect the inalienable and undeniable principle that each country has the right to adopt the economic and social régime it considers appropriate for its advancement, to reaffirm the vital importance of the full exercise of national sovereignty over natural resources in the interests of development and in accordance with the objectives of the Strategy and to proclaim the right of each State to exercise control over its natural resources and exploit them in accordance with the interests of the country. Governments of both developed and developing countries should continue to mobilize public opinion for the cause of development by all the means available to them. It is in this spirit, and especially bearing in mind that the progress of independent development of developing countries can be given considerable momentum by requisite and efficient support on the part of developed countries, that areas of further action by these two groups of countries are identified in sections A and B and by the international community in section C below.

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A. Measures by developing countries

38. Developing countries should improve their national planning. They should adapt their planning methodologies in order to launch coherent and integrated national development plans that would judiciously incorporate both economic and social objectives. They should particularly take into account the interests of their lower income groups and the need for the widest possible participation in development efforts. Development goals and objectives should be clearly defined in such plans so as to steer the country's economy towards its desired level and pattern of development in a rational and mutually supporting manner. Developing countries should evaluate at periodic intervals the progress in the implementation of national plans. Systematic efforts should be made to improve their statistical information.

39. Developing countries should carry out the necessary economic and social reforms, and take all measures necessary to remove impediments to their progress.

40. Co-ordinated policies and measures should be urgently adopted within the context of over-all economic national planning to resolve the current problems of agriculture, the predominant sector of activity in most developing countries, with a view to improving production and income in the rural areas. Developing countries should intensify and sustain meaningful agrarian reforms in order to improve, inter alia, land-tenure systems, whenever appropriate. They should also strengthen, whenever appropriate, the role of co-operatives in agricultural production. In the context of the requirements and priorities of the countries concerned, appropriate attention should be paid, moreover, to water management, expansion of irrigation facilities, development of high-yield seeds suited to local conditions, the fullest application of labour-intensive methods of agricultural production and over-all modernization of the rural areas.

41. Steps should be taken to promote industrialization both as an essential means of further expansion and structural change in the economy and as a source of goods for meeting basic domestic requirements and for increasing export earnings. Encouragement should be provided, as appropriate in the prevailing circumstances, to industries producing intermediate and capital goods, especially when they help to strengthen linkages between different sectors of the economy and promote technological advance. At the same time, in order to expand employment opportunities, labour-intensive methods of production should be encouraged as appropriate in the prevailing economic and social conditions.

42. Developing countries in which the problems of mass poverty and unemployment have become acute should, in the light of their individual conditions and requirements, as reflected in their over-all plans, formulate policies which aim simultaneously at fostering economic growth and combating mass poverty and unemployment, through, inter alia, a change in the composition of production and consumption in favour of poorer groups. These countries should give serious consideration to the beneficial role that construction activity and land improvement could play in coping with these problems as an integral part of the general development design. Emphasis in this context should, where appropriate, be on such activities as low-cost housing, water supply, sewerage schemes and feeder roads, which encourage the use of local materials and idle labour, and make a significant contribution to the objectives of a more equitable distribution of consumption and income.

43. Developing countries should scrutinize their educational priorities and policies. Steps should be taken further to orient educational structures to the requirements of development, including development in rural areas, and to expand all possible training facilities for generating requisite levels of skill.

44. Further steps should be taken to improve the quantity and quality of health services and the availability of these services to the total population. Developing countries should adopt demographic policies suitable to their own concept of development and consistent with human dignity. Those countries seeking a reduction in the rate of population increase should expand family planning services.

45. Developing countries should reinforce their efforts to raise their saving ratio. Budget and tax procedures should be strengthened both to achieve a fuller mobilization of domestic financial resources and to improve distribution of income. Internal revenue should be increased by, among other means, devising where appropriate, new and more efficient taxes and procedures of tax administration. Appropriate financial institutions should be fostered to mobilize individual savings and to channel them to priority uses.

46. Developing countries should take, when necessary, legislative and administrative steps to encourage the inflow of foreign investment and to regulate the activities of foreign private investors, including their contractual arrangements, in a manner compatible with national development objectives and priorities. Developing countries should also take necessary measures to control the outflow of capital, both domestic and foreign.

47. Developing countries should further intensify their export-promotion efforts, including those aimed at diversifying their exports, with steadily increasing proportions of manufactured and semi-manufactured goods.

48. Developing countries should take further and vigorous steps to expand co-operation among themselves at the regional, subregional and interregional levels. They should seek to establish and/or reinforce transport and communications links and, as appropriate, institutions for stimulating and facilitating such co-operation. Depending upon specific circumstances, co-operation could take a variety of forms including mutually beneficial production, trade and tariff arrangements, joint efforts to set up or improve appropriate machinery to defend the prices of their exportable commodities and to improve access to and to stabilize markets for them; and through the pooling of resources and joint action in financial and monetary matters and in the field of science and technology.

49. In such schemes of co-operation among developing countries special attention should be given to the problems of the least developed among the developing countries and the land-locked developing countries. In particular the land-locked developing countries should be ensured free access to and from the sea through appropriate arrangements.

B. Measures by developed countries

50. Developed countries should be receptive to international commodity agreements that help to promote development. They should in particular accelerate the process of ratification and implementation of the agreements already concluded, such as the International Cocoa Agreement. In so far as agreement is not reached on a set of general principles for a pricing policy and access to markets for commodities, pricing policy for commodities may be determined by exporting countries in the light of prevailing market conditions, ensuring that it should be remunerative to producers and equitable to both producers and consumers, taking into account the development needs of the developing countries. Developed countries should also reduce and then eliminate within a reasonable period any possible adverse spill-over of their agricultural policies on developing country suppliers. They should, inter alia, give close attention to whatever complementarities may exist between development promotion and their own environmental related reasons for favouring certain natural raw material imports over domestic synthetics.

51. Developed countries which have not yet implemented a generalized scheme of preferences for imports of manufactures and semi-manufactures from developing countries should undertake the necessary measures to put such a scheme into effect without delay. Others are urged to make vigorous efforts to enlarge and liberalize their existing schemes.

52. Developed countries should promote general public awareness of the benefits that an evolving international division of labour can bring not only to developing countries but to the economically advanced countries themselves. In this connexion, in resorting in exceptional cases to escape clause action, developed countries should make particular efforts to avoid to the maximum extent possible the adverse effects of such clauses on the exports of developing countries through all possible measures, including the modification of the existing clauses in their application to developing countries. Developed countries should, in appropriate cases, provide adjustment assistance for their workers and enterprises that are no longer competitive with developing country suppliers, thereby helping to achieve a better domestic allocation of resources as well as to encourage exports of manufactures and semi-manufactures of developing countries.

53. It is essential that the Multilateral Trade Negotiations ensure significant and sustained gains for the export trade of developing countries. All developing countries should participate fully and equally in the negotiations. The negotiations should aim at securing additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports and an acceleration of the rate of growth of their trade, taking into account their development needs, and thereby contribute to the achievement of the objectives of the International Development Strategy. Among the basic objectives guiding these negotiations will be the concepts, as agreed upon at the Ministerial Meeting in Tokyo, of non-reciprocity; special and more favourable treatment through differential measures in favour of developing countries, throughout the negotiations, where this is feasible and appropriate. During the period of negotiations there should be no freeze on action in favour of the trade and other targets denominated in the International Development Strategy.

54. The adoption by the United Nations Conference of Plenipotentiaries of a universally acceptable Code of Conduct for Liner Conferences and its urgent implementation would be an important means of regulating and making more efficient world liner shipping, of facilitating the orderly expansion of world sea-borne trade aimed at improving the position of developing countries in the field of shipping and of assisting them in increasing their net foreign exchange earnings. The code should facilitate the establishment of freight rates fair to both shippers and carriers.

55. In view of the serious slippage evidenced in progress towards the attainment of the over-all targets for the transfer of financial resources to developing countries, developed countries whose performance has so far fallen short of the relevant targets, should make all possible additional efforts to expand the transfer of financial resources to achieve the targets laid down in the Strategy as adopted. Developed countries that may reach the targets should make every effort to exceed them. Very great importance should be attached to the target for transfer of official development assistance, the most concrete indicator of the efforts of developed countries and thus a tangible expression of international solidarity. Furthermore, the aim should be to arrive at a more precise and unambiguous definition of this target in time for the mid-term review. The terms of transfer, that is, time-limits for repayment, rates of interest and grace periods, should also be softened in cases where this has not been done recently, and an increasing proportion should be provided on a grant or concessional basis.

56. The trend to provide an increased proportion of transfers through multilateral institutions should be continued. Further consideration should be given in international financial institutions by participating countries to the best way of protecting developing countries against adverse consequences of a decline in export prices or earnings, including through the establishment of a scheme of supplementary financing. However, greater emphasis should be given in future to the provision by international financial institutions of programme loans to those countries facing difficulties in this field.

57. Developed countries should assist in solving the increasingly serious debt problem of developing countries. They should, by all means possible, help to forestall expected payments crises, through, inter alia, refinancing of past debts on appropriate and equitable terms, taking into account the fact that this problem cannot be solved in isolation, but needs to be resolved in a manner that also deals adequately with the over-all development problems of developing countries.

58. A satisfactory and early reform of the international monetary system is in the interests of all countries, developed and developing. Special attention should be paid to the effect of the international monetary crisis on developing countries, with particular reference to the adequacy and value of their reserves, sustained growth of their export earnings, the prices of their export products and their terms of trade. Measures in this respect should respond equitably to the interests of all countries. The provision for full and effective participation of the developing countries in the discussions and in the decision-making process of the reform is an encouraging element. Furthermore, it is important to emphasize the role of the Committee of Twenty, 12/ as the body fully responsible in all negotiations on that reform.

12/ Ad Hoc Committee on Reform of the International Monetary System and Related Issues, established by the Board of Governors of the International Monetary Fund.

59. The reformed monetary system should aim at universality and should take into account the interests of the international community as a whole, thereby assisting in the evolution of a system of world economic relations based on the equality and interests of all countries. Particular attention should be given in discussions in the relevant negotiating forums regarding reform of the international monetary system to:

(a) Recognition of the need for an appropriate degree of flexibility in the new monetary system to take into account, inter alia, specifically, the special characteristics and specific structural problems of developing countries;

(b) An invitation to the International Monetary Fund to give attention to the concerns of the developing countries, in particular, in the forthcoming review of its current quota, and through that, consequentially, voting structure;

(c) The need to review the methods of operation of the International Monetary Fund, in particular the terms for both credit repayments and "stand-by" arrangements, the system of compensatory financing, and the terms of the financing of commodity buffer stocks, so as to enable the developing countries to make more effective use of them;

(d) The reaching, within the framework of the reform of the international monetary system, the earliest possible decision, in accordance with the time-table established by the Committee of Twenty, on the outstanding issues, including the question of establishing a link between Special Drawing Rights and additional development finance;

(e) Additional creation of Special Drawing Rights in an adequate and orderly manner by the International Monetary Fund should be determined on the basis of global liquidity needs;

(f) Further examination of proposals for establishing a new fund facility to provide longer term balance-of-payments finance for developing countries;

(g) The exemption wherever possible of the developing countries from import and capital outflow controls for balance-of-payments purposes and the need to take into account the special circumstances of developing countries in assessing controls which these countries feel it necessary to apply.

60. It is of fundamental importance to ensure that the reformed system should both create conditions for and contain arrangements to promote an increasing flow of real resources from the developed countries to the developing countries.

61. The problems in the monetary, trade and finance spheres should be resolved in a co-ordinated manner, taking into account their interdependence through appropriate consultations as envisaged in the relevant resolutions of the United Nations Conference on Trade and Development, with the full participation of developed and developing countries.

62. Developed countries should make vigorous efforts to facilitate and encourage the transfer of technology to developing countries in a manner attuned to the needs of the latter. In this context, a wider range of alternative technologies should be available to developing countries so that they can choose the technologies most appropriate to their specific conditions. Developed countries should be ready, at the request of developing countries and within the framework of their assistance programmes, to enlarge significantly their direct assistance to developing countries for their programmes of research and development and the creation of suitable indigenous technologies. Moreover, in their own research and development activities, they should encourage the evolution, in co-operation with developing countries, of comprehensive programmes that help to accelerate the scientific and technological advance of the latter. Furthermore, efforts should be made, as appropriate, to harmonize the commercial practices governing the transfer of technology with the requirements of development.

63. New international arrangements on transfer of technology, should be elaborated and, as appropriate, implemented, within the context of a programme for promoting the transfer of technology to developing countries to facilitate the implementation of the provisions contained in the Strategy as well as in the relevant resolutions of the United Nations Conference on Trade and Development. In this context urgent attention should be paid to the establishment of a code of conduct for the transfer of technology to developing countries.

64. In view of the contribution which economic co-operation among developing countries could make to the development process, such efforts should receive increased support from developed countries and appropriate international institutions through economic, financial and technical assistance, especially in the area of trade and for the development of transport and communications links among developing countries, as well as in other related fields.

65. Developed countries should give the highest priority to the urgent implementation, on the basis of United Nations Conference on Trade and Development resolution 62 (III) of 19 May 1972, of special measures in favour of the least developed countries, especially in the commercial policy field, and endeavour to evolve and implement new measures in all fields, particularly in trade and financing, so as to enable the least developed countries to derive equitable benefits from the general measures envisaged in favour of all developing countries.

66. As envisaged in United Nations Conference on Trade and Development resolution 63 (III) of 19 May 1972, urgent and comprehensive action in favour of the land-locked developing countries should be taken with the technical and financial support of developed countries and international financial institutions for meeting their particular needs. Efforts of developing countries towards economic co-operation with the neighbouring land-locked countries should receive the active support of developed countries.

C. Measures by the international community

67. Taking into account the link that should exist between the process of détente and the creation of better conditions for international co-operation in all fields, all countries should actively promote the achievement of general and complete disarmament through effective measures. The resources that may be released as a result of effective measures of actual disarmament should be used for the promotion of economic and social development of all nations. The release of resources resulting from those measures should increase the capacity of developed countries to provide support to developing countries in their efforts towards accelerating their economic and social progress.

68. In accordance with the purposes and principles of the Charter of the United Nations and in order to create the conditions necessary for the implementation of the International Development Strategy, vigorous and concrete steps and actions should be taken collectively and individually by the members of the international community, in support of the peoples concerned, to eliminate colonialism, racial discrimination, apartheid and foreign occupation of territories so as to restore their national sovereignty, territorial integrity and their undeniable and fundamental rights and to achieve durable peace, justice and sustained progress throughout the world.

69. While the primary responsibility for implementing the aims and policy measures of the Strategy rests upon the political determination of individual Governments in a spirit of partnership and common interests, the United Nations system and other international organizations in which these Governments are represented can and should make an important contribution of their own. Thus, all Governments are urged to adapt their development policies, not only individually, but also jointly through these organizations, to the implementation of the Strategy in a consistent and forward-looking manner. The organizations of the United Nations system, as the collective instruments of the world community, are urged in the light of the first exercise on review and appraisal, to intensify and further harmonize their activities relating to the implementation of the Strategy in their areas of competence, so as to ensure that the efforts of the system will produce maximum results. In this context, they should invigorate the search for innovative and interdisciplinary approaches, aiming at the removal of the causes of underdevelopment, at the strengthening of the economic and social structures and the cadres of trained personnel of developing countries for their own development, and at assisting developing countries in their efforts towards the mobilization and utilization of their national resources. Concerned international organizations outside the United Nations system are also invited to gear their activities to assisting in the implementation of the International Development Strategy.

DRAFT RESOLUTION II

Economic co-operation among developing countries

The General Assembly,

Recognizing that, in pursuance of the principles outlined in paragraphs 39 and 40 of the International Development Strategy, 13/ developing countries have made significant efforts to promote trade among themselves and to establish or strengthen regional, subregional or interregional economic co-operation and/or integration,

Recalling its resolution 2974 (XXVII) of 14 December 1972, on co-operation among developing countries in the United Nations technical co-operation programmes and increased efficiency of the capacity of the United Nations development system,

Mindful of the Declaration and Principles of the Action Programme of Lima, 14/ adopted by the Group of 77 at the Second Ministerial Meeting in November 1971, and in particular of part two, section E, which emphasizes the need to foster mutual co-operation among developing countries so as to contribute to their economic and social progress by an effective utilization of the complementarities between their respective resources and requirements,

Bearing in mind the programme of trade expansion, economic co-operation and regional integration among developing countries outlined in resolution 48 (III) of 18 May 1972 of the United Nations Conference on Trade and Development,

Noting the action programme for economic co-operation among non-aligned and other developing countries adopted by the Conference of Foreign Ministers of Non-Aligned Countries, held at Georgetown from 8 to 12 August 1972, which outlined concrete steps for co-operation, among other things, in the fields of trade, transport and industry, technological know-how and technical assistance, and in financial and monetary matters,

Noting further the action programme for economic co-operation adopted by the Fourth Conference of Heads of State or Government of Non-Aligned Countries, 15/ held at Algiers from 5 to 9 September 1973, in which they reaffirmed their belief that the primary responsibility for ensuring the rapid development of their countries rests with themselves, further declared their resolve to work towards the attainment of individual and collective self-reliance, endorsed and expanded the Georgetown Action Programme and decided, in particular, to establish an Economic and Social Development Fund,

13/ General Assembly resolution 2626 (XXV).

14/ United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.73.II.D.4), annex VIII, sect. F.

15/ A/9330, p. 85.

Convinced that the further expansion of economic co-operation among developing countries along the lines described in the principles and programmes referred to in the above paragraphs can help to bring about the structural changes in the world economic system required to meet the urgent needs of developing countries, accelerate the process of development and provide for a balanced expansion of the world economy based on the equality and the common interests of all countries,

1. Considers that the developing countries, with a view to expanding co-operation at the regional, subregional and interregional levels, should take further and vigorous steps, inter alia:

(a) To promote the further harmonization of their policies in the different fields of their mutual co-operation;

(b) To promote and expand regional, subregional and interregional trade by means of preferential trade arrangements;

(c) To promote, establish or strengthen economic integration at the regional and subregional levels;

(d) To support the establishment and/or improvement of appropriate machinery to defend the prices of their exportable commodities and to improve access to and to stabilize markets for them;

(e) To protect their inalienable right to permanent sovereignty over their natural resources;

(f) To strengthen, expand or establish transport links and other communications infrastructure among themselves;

(g) To devise and pursue effective means for the further promotion of industrial co-operation and development;

(h) To promote and establish effective instruments of close co-operation in the fields of finance, credit relations and monetary issues;

(i) To organize means and measures to share and exchange experience in and to promote the development and the application of science and technology to processes of economic and social development;

(j) To support their schemes for economic co-operation with measures for the exchange of information and ideas, especially through increased contact between their mass media;

2. Considers further that, as economic co-operation among developing countries provides a suitable framework in which to secure and advance the interests of the least developed, land-locked and island developing countries, schemes of co-operation should give special attention to the problems of such countries;

3. Invites the developed countries to maintain and expand their support for economic co-operation among developing countries as pledged in paragraph 40 of the International Development Strategy for the Second United Nations Development Decade;

4. Requests the specialized agencies and other organizations of the United Nations system:

(a) To intensify and co-ordinate their programmes so as to provide effective financial and technical support for the further expansion of the mutual co-operation of developing countries along the lines outlined in paragraph 1 above;

(b) To initiate new and to expand existing projects for technical co-operation and the exchange of experience among developing countries;

(c) To promote and expand arrangements for interagency co-operation at the interregional level, and especially among the regional economic commissions, in the furtherance of schemes for economic co-operation among developing countries;

5. Requests the Secretary-General to report to the General Assembly at its twenty-ninth session on the implementation of paragraph 4 above;

6. Requests the Committee for Development Planning to give high priority to the study and evaluation of economic co-operation among developing countries, including in particular scientific and technical co-operation, and to report to the Committee on Review and Appraisal for its consideration at the mid-term review of the International Development Strategy.

DRAFT RESOLUTION III

Preparations for the mid-term review and appraisal
of the International Development Strategy for the
Second United Nations Development Decade

The General Assembly,

Recalling its resolution 2626 (XXV) of 24 October 1970 on the International Development Strategy for the Second United Nations Development Decade,

Further recalling its resolution 2801 (XXVI) of 14 December 1971, in particular its paragraphs on the review and appraisal at the sectoral and regional levels by the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the specialized agencies, the regional economic commissions and other organs of the United Nations system,

Recalling also section I of Economic and Social Council resolution 1768 (LIV) of 18 May 1973 relating to the review and appraisal,

Having undertaken its first biennial review and appraisal of progress in implementing the International Development Strategy,

Considering that the mid-term review and appraisal provided for in paragraph 83 of the International Development Strategy will have to be carefully prepared in the light of the experience gained during the first biennial review and appraisal, both at the national and the international level,

Considering that, since the adoption of the International Development Strategy, new issues and concepts have emerged, such as those mentioned in paragraph 4 of the annex to General Assembly resolution ____ (XXVIII) on the first biennial over-all review and appraisal of progress in the implementation of the International Development Strategy, which require further study,

Reiterating that the International Development Strategy should be viewed in a dynamic context involving continuing review to ensure its effective implementation and adaptation in the light of new developments,

Bearing in mind that vigorous efforts will be required to attain, despite the shortfalls encountered during the first two years of the Second United Nations Development Decade, the goals and objectives specified for the Decade as a whole,

Recognizing that the attainment of the goals and objectives of the International Development Strategy is in the common interest of the world community as a whole, and that there is a need to deepen public understanding of this fact,

1. Reaffirms that in the perspective of the mid-term review and appraisal every effort should be made by all concerned to achieve the goals and objectives of the International Development Strategy for the Second United Nations Development Decade;

/...

2. Requests the Committee for Development Planning to continue its work on developing and elaborating the concept and the contents of integrated socio-economic development in its different implications;

3. Requests the Secretary-General, in the light of the experience gained during the first biennial review and appraisal, to submit a report to the Economic and Social Council, together with his recommendations on the need for improvement of the present machinery for sectoral, regional and over-all review and appraisal, including its statistical base, in particular with respect to the co-ordinated contribution of the organizations and agencies of the United Nations system, so as to assist the Council in the review of its machinery as called for in resolution 1621 C (LI) of 30 July 1971;

4. Requests the Secretary-General, in consultation with the Committee for Development Planning, the regional economic commissions and the organizations of the United Nations system concerned, to examine in time for the mid-term review and appraisal:

(a) The major economic and social developments since the launching of the Second United Nations Development Decade;

(b) The implications of those developments for the attainment of the goals and objectives specified for the Decade as a whole,

(c) The need for formulating new measures, as necessary, including socio-economic policies, which may be required in order to fulfil the goals of the International Development Strategy;

5. Requests the specialized agencies and the International Atomic Energy Agency and the other organizations of the United Nations system concerned, in particular the United Nations Conference on Trade and Development and the United Nations Industrial Development Organization, to make all necessary efforts to ensure that the mid-term review and appraisal is prepared and carried out in a co-ordinated and comprehensive manner covering all sectors of economic and social development, and to co-operate with the Secretary-General and with the Economic and Social Council in the review of the machinery for over-all review and appraisal as mentioned in operative paragraph 3 above;

6. Requests the regional economic commissions to continue and intensify their efforts in conformity with paragraph 81 of the International Development Strategy for preparing and carrying out the mid-term review and appraisal at the regional level;

7. Requests the Secretary-General, in consultation in particular with the United Nations Development Programme and the regional economic commissions, to take all possible steps to increase the assistance which developing countries may need and request for strengthening their planning and evaluation machinery and procedures, which would also facilitate the mid-term review and appraisal at the country level;

8. Requests the Secretary-General to intensify and stimulate efforts to mobilize public opinion in all countries, in particular the developed countries, in support of the objectives and policies for the Decade in the interest of the world community as a whole.

DRAFT RESOLUTION IV

Quantification of scientific and technological
activities related to development

The General Assembly,

Recalling the recommendation contained in chapter IX of the report of the Committee on Science and Technology for Development on its first session 16/ for the revision of paragraphs 60, 61 and 63 of the International Development Strategy for the Second United Nations Development Decade, and the decision adopted on the subject by the Economic and Social Council at its fifty-fifth session, 17/

Recalling further that in paragraph 63 of the International Development Strategy specifically the General Assembly recommended that, at the time of the first biennial review, consideration be given to the setting of quantitative targets for direct support by developed countries of the efforts of developing countries in the field of science and technology, in terms of a percentage of both the gross national product of the developed countries and their own research and development programmes,

Considering the importance of defining targets for the effective implementation of assistance programmes in the field of science and technology on levels compatible with the development requirements of the developing countries in the Second United Nations Development Decade,

Bearing in mind that the Intergovernmental Group of Experts on the Quantification of Scientific and Technological Activities related to Development, owing to its late convening, was not able to produce its report in time for consideration by the Economic and Social Council at its fifty-fifth session and by the General Assembly at its twenty-eighth session,

1. Decides to request the Economic and Social Council to instruct the Committee on Science and Technology for Development to give priority at its second session to the consideration of the subject of quantitative targets in the field of science and technology to enable the Council to consider the subject at its fifty-seventh session and to report thereon to the General Assembly at its twenty-ninth session;

2. Further decides to include in the provisional agenda of its twenty-ninth session an item entitled "Quantification of scientific and technological activities related to development, including the definition of the quantitative targets contemplated in paragraph 63 of the International Development Strategy".

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16/ Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 4 (E/52/2), para. 120.

17/ E/SR.1379.

21. The Second Committee also recommends that the General Assembly should defer until its twenty-ninth session the consideration of agenda item 108, entitled "Reduction of the increasing gap between the developed countries and the developing countries".
