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Economic Commission for Latin America

POSITIONS ADOPTED BY THE LATIN AMERICAN GOVERNMENTS WITH RESPECT TO THE ECONOMIC AND SOCIAL DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS OF LATIN AMERICA

Main resolutions of the Economic Commission for Latin America, the Latin American Economic System and the Latin American Energy Organization

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/INTRODUCTION

INTRODUCTION

This information document is a compilation of the positions adopted by the Latin American governments with respect to some central topics of special interest concerning the preparation of the New International Development Strategy which is being reviewed by the United Nations General Assembly Preparatory Committee.

The topics considered are integral development, social and human development, economic development, external trade relations, the international monetary system and external financing.

The documents consulted, which are listed below, are reports and resolutions of intergovernmental meetings in which a global review was made of the economic and social development and external economic relations of Latin America.

(1) First and Fourth Regional Appraisals of the Implementation of the International Development Strategy and the New International Economic Order, adopted at the fifteenth and eighteenth sessions of the Commission (The Quito Appraisal, resolution 320 (XV) and the La Paz Appraisal, resolution 388 (XVIII).

(2) Resolution 386 (XVIII) on "Preparations and contributions by CEPAL for the formulation of the New International Development Strategy for the Third United Nations Development Decade", adopted at the eighteenth session of the Commission held in La Paz, April 1979.

(3) Resolution 1. "Latin America vis-à-vis the Third General Conference of UNIDO", adopted at the Second Latin American Conference on Industrialization, organized by CEPAL and held in Cali, Colombia, September 1979.

(4) Report of the meeting on Latin American co-ordination for the Fourth Ministerial Meeting of the Group of 77 (SELA, document RDR/DF.1/Rev.1, 19 January 1979).

(5) "Arusha Programme for Collective Self-Reliance and Framework for Negotiations" (Arusha, 16 February 1979).

(6) "Declaración de San José", First Extraordinary Meeting of Ministers of OLADE, July 1979.

The positions contained in this document mainly correspond to the resolutions adopted within CEPAL, SELA and OLADE.

It was considered desirable to assemble this material in order to facilitate the discussions of the Latin American group on the work of the Preparatory Committee for the New International Development Strategy of the Third United Nations Development Decade.

/I. THE

I. THE ECONOMIC AND SOCIAL DEVELOPMENT OF LATIN AMERICA

A. INTEGRAL DEVELOPMENT

The Quito Appraisal, para. 1, 2, 3, 4 and 5

A central preoccupation in the review and appraisal of the International Development Strategy should be the concept of integrated development and the differences existing between the phenomenon of economic growth and actual development.

Integrated development can not be achieved through partial efforts in particular sectors of the economy or the social system, but only through concerted progress in all aspects, it is exceedingly difficult to make an appraisal of the development process thus defined, since it is not sufficient to refer to one or more indicators, but it is necessary to observe to what extent concerted progress in all sectors is helping to promote a new type of society oriented towards rapid human development.

The growth of economic variables has frequently failed to bring with it qualitative changes of equal importance in human well-being and social justice. This is shown by the continued existence of serious problems such as mass poverty, the incapacity of the system of production to provide employment for the growing labour force, and the lack of economic and social participation of broad strata of the population. Clearly, however, these qualitative changes are more difficult to achieve when the economic variables do not grow at satisfactory rates. In line with this approach, achievement of the quantitative targets of the Strategy should constitute the complement necessary to achieve human development, which is the ultimate aim of the process.

The traditional structures, inasmuch as they put obstacles in the way of change, hinder social progress and economic development. Accordingly, even more strenuous efforts must be made to effect the qualitative and structural changes mentioned in the IDS, which are indispensable to establish the bases that will permit the achievement of the social and economic objectives of the Strategy. Failure to stress the vital importance of this aspect of development and to put these qualitative and structural changes into practice largely explains the unsatisfactory results achieved by many Latin American countries.

These structural changes, which are an essential condition for any integrated process of development, especially one set out in the broad human and social terms in which the IDS states this objective, include: the control and sovereign utilization of natural resources; the reform of land tenure systems as required in order to promote both social justice and agricultural efficiency; the establishment of such forms of public or mixed ownership of

/property as

property as each country may consider appropriate in those activities which, in its view, require such measures in order to promote self-sustaining independent economic development; and any other type of substantive reform needed to secure that objective.

The Quito Appraisal, para. 6, 7 and 12

At the same time, accelerated, harmonious and independent growth is essential to the success of these qualitative and structural changes, and consequently, of the objectives of the Strategy, since accelerated growth of the economy as a whole makes it easier to obtain the resources necessary for the investments required for human development.

When, in its efforts to implement the Strategy, a country simultaneously tackles all aspects of development and promotes the structural reforms needed to achieve integrated development, experience indicates that imbalances occur in the initial stages which make it difficult to continue the process. The social injustices and tensions which have accumulated over the years manifest themselves in demands which domestic resources can not meet. In order to correct these imbalances, the international co-operation received by such a country should not be subject to restrictions, as has so often been the case. Some countries undertaking structural changes in conformity with the IDS sometimes have to face hostility and economic aggression from abroad. This is particularly serious since, in the light of the commitments undertaken in the strategy, countries engaged in reforming their structures should receive international support for those reforms.

In the words of the International Development Strategy, "the ultimate purpose of development is to provide increasing opportunities to all people for a better life". It goes without saying that the achievement of this objective requires a profound social change and a new unified approach to development. It is therefore necessary to assess the impact of economic changes on the social situation and their relevance to it. It must be appreciated, however, that the quantitative, qualitative and structural changes and the reduction of existing regional, sectoral and social disparities "are both determining factors and end-results of development". Consequently, as the Strategy puts it, rapid economic growth and structural changes should be viewed "as integrated parts of the same dynamic process and would require a unified approach".

The La Paz Appraisal, para. 1, 12 and 185

Development should be conceived of as an integral process characterized by the achievement of economic and social targets which ensure the effective participation of the population in the development process and in its benefits. To this end it is essential to make far-reaching structural changes in this field as a prerequisite for the process of integral development which it is sought to achieve. These two aspects are inseparable parts of a whole which mutually condition each other, and it is difficult to imagine any effective strategy which fails to consider them simultaneously and weigh them in their true dimension.

/The operational

The operational resources and possibilities now available place many Latin American governments in a more favourable position than in the past for achieving integrated development in keeping with the proposals of the IDS. In order to implement, these possibilities effectively, however, it will be necessary to go beyond the reiteration and accumulation of desirable objectives and the mere diagnosis and identification of the most telling problems in order to progress towards the formulation of policy strategies and the specific planning of how to implement them. All of this will require a considerable dose of innovation in terms of policy measures, and in particular a much stronger political commitment to the social and human objectives of development.

In this context, the countries of Latin America should individually and free of external interference, strengthen their economic, cultural and social structures so as to achieve coherent development based on national self-determination. The governments should intensify activities aimed at achieving a genuine redistribution of income and high levels of employment in favour of the marginal groups, so as to increase their social well-being by improving the quality of life (health, nutrition, housing, social security) and social and economic status (mass participation, education and training).

CEPAL resolution 386 (XVIII), section B

Economic growth is a necessary but not by itself a sufficient condition to ensure full social and human development. This requires the introduction of institutional reforms and appropriate policies within the framework of an integral and organic conception of the development process. The results of this economic growth must be more fairly distributed so that, in addition to ensuring the active participation of the different sectors of society, it will also be possible to create juster societies where human beings will find better possibilities for the fullest development of their potential.

In this regard, the distribution of income and social consumption must be restructured, public spending rationalized and the trend of private and public investment changed so as to achieve the social objective of increasing the well-being of the entire population.

It will also be necessary to introduce the reforms required to guarantee the access of the population to employment, educations, health and other social, public and private services.

Specific high-priority objectives must be established in order to deal with the situations of extreme poverty which exist in the region. The measures proposed should not consist merely of aid policies but should take the form of lasting solutions in the context of an integral and organic conception of the proposed

/development strategy.

development strategy. It is therefore essential to envisage as a fundamental requirement the active participation of the population in the programmes designed to improve their quality of life.

B. SOCIAL AND HUMAN DEVELOPMENT

The La Paz Appraisal, para. 15

Significant progress has no doubt been achieved in some sectors of society. In view of the aims of the present appraisal, an endeavour will be made to highlight the most crucial problems which require urgent solution in keeping with the goals and objectives of the IDS and the earlier regional appraisals.

(i) Various public programmes in such social sectors as education, health, housing and social security require a considerable quantity of fiscal resources if they are to be implemented adequately. Only in this way will it be possible to satisfy the desirable life expectations of broad sectors of the population. These programmes are at present undergoing a process of reform which endeavours to absorb such higher aspirations, although it will be difficult to satisfy them in the current situation of scanty financing and restrictions to which social programmes in the majority of countries are subject. More precisely, the root of the problem lies in the fact that the redistribution aims of these programmes contradict the trends actually manifested, especially with regard to the forces tending to concentrate personal income and other aspects already mentioned, so that the professed objectives of correcting growing social inequalities prove to be ineffective or inadequately implemented. The resulting challenge is to find a way to increase public understanding and the political and practical feasibility of programmes aimed at mitigating and obviating the hardships of the social sectors which are practically excluded or marginalized from active participation in the development effort and from profiting from its results;

(ii) The combined action of population growth, urban concentration, deterioration in the quality of the human environment, waste of natural resources and high prices of certain imports calls for deep-seated, long-range changes in present patterns of consumption and in the control of the use of certain resources. The growing pressure of broader social groups towards achieving specific life styles with possible environmental threats and the exhaustion of sources of natural wealth, make energetic action by the State more essential than ever for protecting relations with the natural environment through more suitable patterns of consumption, appropriate use of natural resources and better types of human settlements. The heart of the challenge is how to use these often critical processes to generate a consensus with regard to action possibilities involving feasible objectives and reasonable goals which will locate

/and order

and order the group of isolated problems into a common frame of reference and give them a sense compatible with the human objectives arising out of the recommendations of the IDS;

(iii) In the perspective of integral development, as defined in earlier regional appraisals (Quito, points 1-7 and 12), the most important challenge is constituted by a related group of social problems which affect considerable sectors of each country: large minorities in some countries, and the majority in others. These include the inequitable distribution of income, critical poverty, underemployment and poor working conditions, the low productivity of a considerable section of the labour force, the backwardness and marginalization of huge urban and rural sectors, generalized illiteracy and semi-illiteracy which have an adverse effect on the capacity of the labour force, and the restricted participation of the masses in economic, social and human development.

The La Paz Appraisal, para. 16, 17 and 19

The present situation of education in Latin America may be described as one of expansion in quantitative terms, while at the same time it shows contradictory tendencies and serious disequilibria in its patterns of growth and the social impact it produces. It may be noted that the vigorous growth of the education system as a whole has tended to be concentrated at the secondary and higher levels, while the growth rate of primary education, which was 3.9% between 1970 and 1975, is scarcely higher than population growth. The average schooling of the labour force in the countries of the region was around four years in 1970, thus revealing a situation of generalized semi-illiteracy and illiteracy. The illiteracy rates amount to between 5 and 40% of the labour force.

Available statistical evidence shows that the level of concentration of income has not diminished, and the slowing-down of economic growth in recent years, with its subsequent effects and repercussions, has frequently brought with it a further deterioration in income inequality. Sample surveys carried out in a group of countries accounting for 90% of the population of Latin America show that around 1970 the share of the top decile fluctuated between more than one-third and nearly 60% of total income, while the share of the income recipients in the bottom 40% of the distribution varied from 6 to 14%.

This experience has given rise to some scepticism with regard to the traditional beliefs that economic growth would of itself bring with it the solution to the serious and widespread problems of poverty, uneven income distribution, and unemployment and underemployment, which have existed and continue to do so despite the considerable development of the forces of production. According to the latest estimates available, around 40% of the population of Latin America was still living in conditions of poverty around 1970, while the proportion rose to 62% in the case

/of the

of the rural population. In other words, the fruits of economic growth have not been fairly distributed among the different population groups. Indeed, if present conditions continue, it can be foreseen with a high degree of certainty that the share of the poorer strata in the fruits of future growth will tend to remain at completely inadequate levels.

The La Paz Appraisal, para. 22, 23 and 25

The growth of the rates of open unemployment and the continued existence of high levels of generalized underemployment, which together result in a high degree of underutilization of the labour force in the region, constitute one of the most serious problems, owing to the low capacity of absorption of personnel in the modern and dynamic sector of the economy, and the loss of production potential which this implies. Open unemployment and underemployment around 1970 are estimated to have accounted for around 28% of the labour force, i.e., no use was made of the productive potential of one out of every four persons of working age. Although the so-called informal sector has shown unexpected flexibility in offering subsistence opportunities to the urban poor, this has been achieved at the inadmissible cost of very low incomes and great insecurity in the sources of activity which generate them.

There are serious doubts as to whether the informal sector can continue to carry out the functions which it has relatively successfully engaged in to date. The growing demand for employment among sectors of increasingly educated young urban dwellers who are facing ever greater difficulties in finding suitable jobs can hardly be palliated by the substitute constituted by the informal sector, where the lowest-qualified, transitory and poorest paid jobs predominate. Something similar is to be expected as a result of the increased flow of educated women seeking to enter the job market. This is a source of tensions which will tend to get worse with the rapid growth of these sectors of the population, particularly the new generations of men and women graduating from secondary and higher education, for whom the informal sector has no solutions to offer.

The situation of women in the region varies according to the socioeconomic stratum to which they belong. This also means variations in their share in economic, political, social and cultural life, and in the sources and manifestations of the discrimination of which they are the object. These differences should be taken into account in adopting measures to guarantee the equality of men and women and foster the economic and social development of the respective countries. Since the most alarming situations are to be found among women belonging to the poorest groups, and particularly poor rural women, they must be given priority in planning development strategies, and especially in action aimed at alleviating the burden of household chores and improving housing conditions, the infrastructure, health, employment, education and other social aspects. Special attention

/must also

must also be given to reappraising the contribution of women to society and an effort must be made to improve their social image, which is at present distorted by the mass media and current cultural patterns.

The La Paz Appraisal, para. 26 and 27

Since nearly all adult women in the region are responsible for and actually carry out household tasks, and a considerable percentage of women from the poor strata are heads of households, this link with the family units should be taken into account both as regards its consequences for the situation of women and its effects on children, who are the population of the future. It will therefore be necessary to pay special attention to improving the living conditions of the family units, and this, in addition to lightening the burden of the work done by women and opening up new possibilities for their participation in society, will make it possible to improve the quality of living of the population as a whole. It must be acknowledged that some countries have already established special institutions to facilitate the full participation of women in the social and economic development of their respective countries.

Policies regarding human settlements should consider the great variety of problems relating to the habitat as regards the quantity, density and distribution of the population, regional and rural-urban disparities, and the distribution and allocation of production resources, so as to establish a satisfactory environmental and cultural balance in order to increase human well-being and ensure the correct use of natural resources.

C. ECONOMIC DEVELOPMENT

The La Paz Appraisal, para. 28, 29 and 30

The rate and structure of economic growth have undergone changes of great importance in the course of the past decade in Latin America. Taking the region as a whole, three phases can be clearly distinguished: during the first four years, the region maintained and boosted the economic growth it had been experiencing since the end of the 1960s; in 1975, the growth rate plummeted, while 1976 saw the start of a recovery phase of extreme lentitude in most of the countries, in which the average increase in the domestic product has been notably below its traditional rate and that of earlier periods.

Of particular influence in this sharply contrasted evolution were government economic strategies and policies, the potential and real economic development capacity of the region, and the course of international trade and the economy of the industrial countries, successively expressed as booms, crises and economic recessions, with recent tendencies towards some level of recovery in a milieu dominated by factors of instability and uncertainty.

/Internally, the

Internally, the majority of the countries made some progress in mobilizing resources and in their financing efforts, although the variability of external conditions prevented full and continuing benefit from being extracted from this progress. The periods when external conditions were favourable served to illustrate the region's high economic growth potential, and the adverse periods confirmed that the growth rate was vulnerable to external factors.

CEPAL resolution 386 (XVIII)

Despite the efforts made by the developing countries of the region towards the objectives set out in the International Development Strategy for the Second United Nations Development Decade and the shaping of a New International Economic Order, these have not been sufficient to boost the development of the developing countries due, inter alia, to the obstacles deriving from the policies and measures imposed by the industrialized countries and the acceleration of the remittance of profits outside the region and other negative practices of the transnational enterprises, with the result that Latin American development is still facing serious problems and obstacles of a structural nature at the national level and above all at the regional and international levels, the manifestations of which include the following:

(a) the rate of economic growth has declined considerably since the middle of the present decade, and a large number of countries in the region have continued to achieve unsatisfactory and extremely slow progress. Agricultural output, despite technological progress and diversification, has continued to follow the historical trend, and industrial output has suffered an appreciable decline in vigour in recent years. This evolution is clearly at odds with the region's potential for economic growth, in view of its natural resource endowment, the abundant availability of labour and the capacity to promote an adequate process of investment and to carry on private and public management of the economy, despite the problems and obstacles of an internal and external nature suffered by the developing countries of Latin America, including the restrictive practices of the transnational enterprises and problems of a structural character. It is therefore necessary to envisage solutions, within the formulation of the third International Development Strategy, for the problems created by the application of strategies unsuited to the characteristics of the region;

(b) the region continues to show indications of substantial economic and social backwardness in many aspects and features which characterize this stage in its development: ineffectiveness in promoting the full productive employment of human resources; a very high concentration of ownership of property, income distribution and consumption; increasing foreign debt; situations of intolerable extreme poverty and indigence; marked heterogeneity in the systems of production, which is reflected in the economic and technological backwardness prevailing in the productive activities of a large

/proportion of

proportion of the labour force and also in the low level of integration of the national economies; insufficient development of industrial production of fundamental categories of basic and capital goods needed to stimulate economic development; unbalanced external trade, with primary commodities taking up a large share of exports, while imports are largely composed of industrial products and capital goods essential for the growth process; and low levels of domestic saving and considerable dependence on external investment and financing, which help, along with other factors, to limit the self-determination that national development policies should enjoy;

(c) the far-reaching social changes which have accompanied the prevailing process of economic growth in the region have helped to shape societies which are unjust and highly polarized, with increasing social differentiation and extremely unequal distribution of the benefits of growth;

(d) the decline in the economic growth rate is largely attributable to the recession and fluctuations in the world economy, and in particular to the course followed by the situation of the industrial countries, on which Latin America is still highly dependent. These unfavourable economic developments have heightened the gravity of the social problems mentioned above.

The La Paz Appraisal, para. 186

Latin America should recover and achieve a high level of economic growth during the next decade, as an essential requirement for facilitating the achievement of the social aims put forward above.

CEPAL resolution 386 (XVIII), section B

A vigorous impulse must be given to industrial development, using methods in keeping with the conditions existing in different countries and regional integration programmes, and the production of consumer goods, essential intermediate products and capital goods must be encouraged in order to ensure sustained economic growth and increase exports of manufactures within a new structure of international trade.

UNIDO, Cali, resolution 1, para. 28

The importance of industrialization in furthering national development objectives of developing countries has been recognized by the international community. The Lima Declaration and Plan of Action, in addition to setting out the main principles of international co-operation in the field of industrialization within the framework of the New International Economic Order, has also underlined in particular that rapid industrialization of developing countries constitutes an indispensable element and a dynamic instrument of sustained self-reliant growth of their economies and social transformation. In order that the share of the developing countries in total world industrial production should reach at least 25% by the end of the century and thus the

/current imbalance

current imbalance between developed and developing countries be reduced, it is indispensable for the Third General Conference of UNIDO to elaborate concrete measures for the accelerated and effective implementation of the Lima Plan of Action within a specified time-frame. The implications of the Lima target should be fully reflected in the goals and objectives and the policy measures of the IDS for the 1980s.

OLADE, San José, para. 1, 6 and 9

Within the framework set up by the vindicatory struggle of the developing world to establish a new international economic order, it is essential at the present time to make headway with the energy component, in view of its priority nature and the urgent need to tackle the problems surrounding it.

A lasting solution to the present crisis requires immediate and continuing efforts to increase energy supply and diversify its sources, and to rationalize demand. Because of the inherent characteristics of the sector, however, these activities will only produce results in the medium- and long-term. There is therefore an urgent need to find machinery which will guarantee a stable supply of energy in the short-term to developing countries which at present import it.

In the face of the seriousness of the situation, there have been expressions of goodwill in various forms on several occasions, particularly the recent appeal by the Organization of Petroleum-Exporting Countries (OPEC) for the need to reopen conversations between the industrialized and the developing nations, so as to discuss problems relating to energy, the prices of the raw materials exported by the developing countries, the prices of manufactures from the industrialized economies, the transfer of technology and the problems inherent in the world monetary system, all with a view to achieving a new international economic order.

OLADE, San José, para. 17, 18 and 19

Despite the potential for energy production of the majority of the countries of the region, its exploration and exploitation have been restricted by the lack of expeditious machinery for the transfer of technology.

For this reason, the resources from the developed countries and from the international financial bodies must be increased and redeployed.

In the short-term there is an urgent need to attend to the problems stemming from the serious balance-of-payments situation experienced by some of the countries of the region which import petroleum. This should not, however, lead to neglect of the long-term programmes so as to attack the structural roots of the present conjuncture, basically the lack of progress in exploring the energy sources of the relatively less developed countries and those of intermediate development.

/CEPAL resolution

CEPAL resolution 386 (XVIII) section B

The growth of agricultural production must be speeded up, taking special account of the need to increase the availability of food in order to correct as rapidly as possible the situation of poverty and indigence faced by great masses of the population of Latin America and cover export needs in order to contribute to the external purchasing power required to ensure supplies of essential products which must be imported.

The fundamental basis for this acceleration of economic development should lie in the domestic effort and the mobilization of the countries' own resources. The region has shown that it possesses this development potential, because of the natural and human resources it possesses and its capacity to give impetus to a dynamic process of investment and increase the economic efficiency of its production to levels which enable it to compete in the international market.

The La Paz Appraisal, para. 189

This greater domestic effort should be focused on the intensification of national savings, which necessarily implies a constraint on consumption - currently polarized in small sectors of society - so that in combination with the accumulation of other resources it can be selectively directed towards agricultural and industrial development, as was observed in earlier paragraphs.

CEPAL resolution 386 (XVIII) section B

There is an urgent need to promote institutional and structural reforms in the Latin American countries in order to realize this development potential, especially with a view to promoting the large-scale accumulation of capital, which can only be achieved by means of substantial changes in the functioning of the economies designed, among other objectives, to reduce the high levels of consumption concentrated in a small sector of the population.

II. EXTERNAL ECONOMIC RELATIONS

A. EXTERNAL TRADE RELATIONS

1. The world situation

SELA, pp. 11, 12 and 13

A general consideration of the trends indicates that the symptoms of recession and the inflationary processes which went to make up the present economic crisis persist in the industrialized countries. This crisis is also characterized by the temporary shortage of some raw materials, the scarcity of energy resources, exchange instability, serious maladjustments in the balance of payments, a return to protectionism and other formulae which restrict world trade for the majority of the developed nations.

At the same time, as a result of the above trends, considerable adverse effects were registered on the volume and value of trade in the developing countries, and on the real purchasing power of their income in foreign currency, while they suffered the infringements and instability generated by this process in the rules by which the international monetary system operates.

The problems of the international economy have been identified, and the general policy measures required to tackle them have been proposed, negotiated and adopted by the Conference and by the General Assembly. And yet, when it comes to drawing up decisions, it can be seen that in the effort to find means of negotiation there is a lack of political will to enter into commitments for specific action, and this constitutes the main obstacle to the introduction of conditions which will permit the principles and norms considered in the decisions on the New International Economic Order to have full validity.

Meanwhile, various adverse circumstances are becoming still more pronounced:

(a) The inappropriate allocation of world resources which departs from the objectives of the developing countries;

(b) The crisis in industrial production in the developed countries, owing to the obsolescence of certain industries and the lack of timely policies for restructuring production;

(c) The shortage of primary resources, their unequal distribution and their irrational use;

(d) The exacerbation of the crisis in the international monetary system.

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In this train of ideas the Latin American nations consider that the activities aimed at creating a New International Economic Order will only become valid through the adequate restructuring of the machinery for balance and co-operation which at present rules the world economy. The basis for this restructuring will require to be the preparation of a fairer proposal for the real participation of the developing countries in the decisions which will make it possible to solve the crisis currently affecting this machinery, on the basis of the recognition of the new situations which emerged after the Second World War.

2. The situation in Latin America

The La Paz Appraisal, para. 61, 62 and 64

(a) General problems

All the countries of Latin America continue to manifest characteristics and experience problems which are specific to developing countries and shared by the entire Third World. They include the still high share of exports of primary products in total exports; the low degree of development of some industries, especially those producing capital and intermediate goods; inadequate co-ordination in the use of the region's bargaining power, the persistent imbalance on current account and their status of net recipients of external capital in the form of loans and direct investment; and considerable inequality in the distribution of income and the high proportion of the population which is still living in extreme poverty. The latter problems can be solved only by complementing the domestic effort with appropriate international co-operation in the fields of trade and technological and financial matters.

These characteristics make it necessary to incorporate in the policies for international co-operation the common denominators shared by all developing countries.

Today, Latin America continues to attach much importance to its primary commodity exports, since they still represent more than four-fifths of their total income from exports. Serious problems in gaining access to the markets of developed countries which affect primary products exported by Latin America, sharp fluctuations in incomes arising from such exports and the unfavourable impact of inflation on their purchasing power are some of the main focuses of concern. However, at the same time other aspects of trade policy have been of great importance. The main thrusts of current policy in Latin America are the procurement of equitable prices for the region's exports, the promotion of its exports of manufactures and other non-traditional goods and the securing of broad and complete access for these goods in the markets of industrialized countries, and intensification of the process of diversifying markets. Regrettably, in recent years the efforts of the developing countries to increase and diversify their exports have run up against serious obstacles in

/the form

the form of the protectionist tendencies observed in the industrialized countries; the accentuation of these tendencies is a matter of profound concern, not only among the developing countries but also in the international community.

The La Paz Appraisal, para. 65, 66 and 67

(b) Specific problems

(i) Protectionism

Despite the undertaking made by the developed countries during the IV UNCTAD, in its resolution 96 (IV), to maintain the status quo in the application of tariff and non-tariff barriers, new types of protectionist measures have proliferated in those countries in recent years, with a negative impact on the developing countries' exports both of primary products and of manufactures and semi-manufactures.

This protectionism, which in recent years has taken on new dimensions and characteristics, is of great concern to Latin American countries, since the new restrictions on trade which are being introduced systematically have a serious effect on agricultural goods and minerals and on semi-manufactures and manufactures of special interest for them.

This is of particular gravity since the expansion and rationalization of their domestic production, and opportunities for creating employment for the growing labour force, depend to a large extent on vigorous growth in exports from the sectors mentioned.

Arusha TD/93, p. 49

(ii) Restrictive practices

The restrictive business practices notably those of the transnational corporations have adverse effects on the economic development of the developing countries, particularly in the field of production and marketing of manufactures and semi-manufactures.

Through practices such as licensing, patent and cartel arrangements price fixing, transfer pricing, exclusive dealing arrangements, consignment selling and so-called voluntary quotas, etc., not only do they restrict trade but they also prevent appropriate transfer of technology needed by the developing countries to accelerated their industrialization so as to expand their production of manufactures and to realize an increased share of manufactures in export markets.

The La Paz Appraisal, para. 250

(iii) Restructuring of world industry

In order to prevent the developed countries from continuing to apply protectionist measures to protect their inefficient industries, and in order to achieve a new international division of labour, it is necessary to restructure world industry in a way which will encourage optimal, rational global growth in industrial production in the world.

/SELA,

SELA, pp. 27 and 28

The process of readjustment to which the economies of the industrialized countries must submit sooner or later should constitute a decisive topic for negotiations with the developed countries. To date, the restructuring of industry has been put forward by the developed countries almost exclusively for the simple technology industries which are low capital- and high labour-intensive. To accept this policy line would mean the qualitative freezing of Latin American development and the consolidation of an unjust and progressively inefficient international division of labour.

The conviction must be reaffirmed that the medium- and long-term solution to present protectionism lies in the restructuring of industry which must take place within the developed countries, and on this account this readjustment at the global level must be in keeping with and be inserted into the development objectives of the developing countries, promoting a substantial increase in exports and their diversification, greater autonomy and their full participation in the process. This requires a co-ordinated programme of industrial reconversion which will include an effective system of prior consultations and facilitate a real transfer of capabilities and technology.

The La Paz Appraisal, para. 85

(iv) Commodities

The fundamental problems which continue to affect earnings from the commodity exports of developing countries are: the instability of international commodity prices, the low degree of processing of exports of such products, and the scant participation of the developing countries in their marketing.

SELA, p. 23

Three main lines of action may be identified in the Integrated Programme for Commodities adopted by UNCTAD in resolution 96 (IV).

The first concerns measures for obtaining the dynamic stabilization of commodity prices, avoiding excessive fluctuations by means of two basic instruments: the Common Fund and the commodity Agreements with negotiated price scales.

The second, in keeping with the first, is concerned with obtaining growing security and stability of earnings from the commodity exports of developing countries, using in addition for this purpose such measures as supplementary financing.

Thirdly, greater participation by the developing countries in the commodity economy implies measures to increase local processing, increase the participation of these countries in marketing, transport and distribution and ensure them certain and increasing access to the markets.

/The La Paz

The La Paz Appraisal, para. 89

In the negotiations on the Common Fund, progress has been extremely slow and difficult as a result of insufficient political will on the part of the majority of the developed countries, so that the initial position of the Group of 77 has been deteriorating. The basic elements of the Fund have now been established, and this represents good progress, but there has been some weakening of the initial purpose for which this financial body was set up, namely to influence the commodity markets so as to stabilize the international prices of these products, and reduce the financial burden on the developing countries arising from the establishment of the international measures agreed upon within the international commodity agreements.

The La Paz Appraisal, para. 131 and 132

(v) Regional and interregional economic integration and co-operation

During the 1970s the regional economic integration schemes have come up against serious problems with the exception of the Andean Group, despite which there has been a significant increase in real links and co-operation among Latin American countries. Owing to the importance of regional co-operation in the development and diversification of regional production, economic integration should constitute a basic point of departure in the international development strategy for the 1980s and the establishment of a New International Economic Order.

In the cases of LAFTA and the Central American Common Market, one of the aspects which have aggravated the delays and problems of some formal integration processes has been the lack of political will which has obstructed the operation of the programming machinery and has delayed progress despite achievements in trade matters. Another element which has contributed to hindering the implementation of the objectives of these systems is the difference in the economic structure and the initial degree of development of the member countries which has not made it possible to balance benefits and costs.

The La Paz Appraisal, para. 108

(vi) Specific aspects of relations with developed areas

One of the most striking features of the 1970s is the continuation of the growing internationalization of the region and its economic and financial linking with the developed economies. The external relations of Latin America have become more complex and diversified, encompassing aspects of trade, technology and financing, and the transnational corporations are playing a very significant role in them. Nevertheless, for reasons which will be indicated below, the region's exports to each of the developed areas have recorded a significant decline in terms of their relative share; in addition, the region has recorded substantial trade deficits with each of those areas.

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3. The policies proposed

The La Paz Appraisal, para. 160, 161, 162, 163 and 164

(a) General orientations

In order to facilitate the structural changes necessary for the establishment of the New International Economic Order, it is necessary to reformulate and renegotiate the rules and principles at present governing international trade and economic relations, in the light of the agreements reached at the VI Special Session of the General Assembly and in the Charter of Economic Rights and Duties of States.

The present rules and procedures of the International Monetary Fund and the General Agreement on Tariffs and Trade (GATT) have failed to satisfy the developing countries expectations and should be changed in line with their trade development and financial needs.

The results of the current negotiations on a code of conduct should reflect the situation of the developing countries, and the General Agreement should be revised to make it more flexible.

It is necessary to denounce forcefully the attempts of the developed countries to introduce new concepts, norms and principles in international economic relations which are inconsistent with the norms and principles laid down in the documents relating to the New International Economic Order, since they would produce very harmful consequences, neutralizing the effect of the measures and structural changes required to establish that order. Accordingly, the Latin American countries recommend rejection of:

(i) the new general framework of "basic needs", which rests on an inadequate conception and systematization which would limit the field of action in the areas included in the programme for the establishment of the New International Economic Order, and which, if applied, would produce enormous pressures on the developing countries to accept objectives incompatible with their development policies;

(ii) the concept of selectivity which the developed countries are in fact applying to exports from the developing countries, and for which they are attempting to gain acceptance in the multilateral trade negotiations within the code of conduct on safeguard clauses;

(iii) the concept of "access to supplies", which would affect the principle of permanent sovereignty over natural resources and economic activities;

(iv) the concept of "grading", which implies discrimination in matters related to trade, financing and development through an attempt to classify the developing countries into different categories. In that regard, the Latin American countries recommend the forceful denunciation of the effective application of this concept - which has not been accepted by the international community - by various

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governments of developed countries, which are discriminating against the Latin American countries in diverse protectionist measures, and by the international financial institutions, which have increasingly been focusing their attention on concessional and preferential policies basically designed to assist developing countries with per capita incomes below certain fixed levels, thus excluding almost all the Latin American countries.

In view of the foregoing, the Latin American countries recommend that all appropriate forums should denounce this international economic climate, which, appears to be in the process of becoming increasingly unfavourable to Latin America, precisely at the most critical stage of its development.

CEPAL resolution 385 (XVIII), pp. 187 and 188

(b) Protectionism

It is a matter of urgency for the developed countries to adopt programmes to eliminate the restrictions affecting exports by the developing countries, and to replace the protectionist measures by effective assistance programmes and policies for medium- and long-term reconversion; for the Commission's member States to establish a strategy in the framework of the appropriate forums for the supervision of the protectionist measures and policies applied by the developed countries; for the developed countries not to continue to apply de facto concepts such as "selectivity" which are not accepted by the international community and not to encourage the application to the developing countries of the concept of "grading" in the relevant forums in the areas of trade and finance; for the developed countries to adopt specific criteria, for the purpose of implementing the safeguard measures, including those agreed upon by the developing countries in Arusha, during the Fourth Ministerial Meeting of the Group of 77; and for the member countries to promote the supervision and analysis of the implementation of the programmes and policies within the context of UNCTAD and UNIDO, and other relevant forums.

Emphasis should be laid on the desirability that the developing countries of the region which are affected, without prejudice to the bilateral measures they may deem advisable, should define in consultation with the rest of the Latin American countries concerned a common strategy.

Such joint action could include voluntary economic, financial or trade measures such as:

(i) application of equivalent trade treatment to exports originating from developed countries;

(ii) the laying down of guidelines to restrict or encourage imports from a certain developed country or countries;

/(iii) intensified

(iii) intensified efforts to secure greater and more appropriate participation in international negotiations and machinery in order to safeguard the interests of the region.

The La Paz Appraisal, para. 93 and 96

(c) Transnational corporations

There is a need for the implementation of the agreements reached on the subject by the countries in their regional forums, which include the agreements that the transnational corporations should comply with the laws and regulations and submit to the exclusive jurisdiction of the host country; refrain from any interference in the domestic matters, international relations and external policy of the host country; respect national sovereignty over natural and economic resources; comply with national policies, objectives and priorities; report on their activities; make net contributions of financial resources; contribute to the development of local scientific and technological capacity, and abstain from restrictive trade practices.

In order to promote the position of the developing countries it is necessary to take as a basis the draft code of conduct for transnational corporations drawn up by a group of Latin American countries, and negotiate on it with the industrialized countries, bearing in mind the principles mentioned above, which are reiterated in the draft code: transnational corporations should comply with national legislation and jurisdiction, their activities should be in keeping with the development objectives of the region and with national interests, they should avoid interfering in the internal affairs of the countries in which they operate, shall not enjoy preferential treatment, shall refrain from seeking diplomatic or other support from their countries of origin, and shall not invoke the application of laws different from those applying in the host country.

The La Paz Appraisal para. 255 and 257

(d) Commodities

The application of the strategy of the Integrated Programme must be made more flexible in order to achieve effective integration of the negotiations on the different measures which are applicable, and to continue as soon as possible in the commodity negotiations to the phase of the negotiation of international commodity agreements.

The common fund to be set up should be an efficient and economically viable institution for the financing of the arrangements on the constitution of reserves and other measures relating to commodities aimed at stabilizing the commodity markets and greater processing of commodities. Its operations should contribute towards improving the structure of the market and international trade in commodities of interest to the developing countries, and towards achieving stable conditions for this trade at price levels which will be just and remunerative for the producers, and fair for the consumers.

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The La Paz Appraisal, para. 137, 142, 136, 193 and 194

(e) Regional integration

The ending of the period of transition of the Montevideo Treaty in 1980 has opened up a phase of activities of a preparatory nature to be implemented this year, so that the meeting of the Council of Ministers can review the process and adapt the legal structure of the Association to present requirements and the needs for its future development, so that it may recover its original dynamism and once again act as the powerhouse of regional integration.

Exports to the regional market are characterized by a higher content of new products which are industrially and technologically more complex than those sold to the extra-regional market. For some of these new products, particularly in the engineering industries, the regional market made it possible to gain the necessary experience to penetrate the markets of developed countries at a later date. In this way, the real link existing between the economies of Latin America is contributing to the regional industrialization process. Latin American integration and complementarity is a feasible and efficient road to the development of new industries and to imbuing those already in existence with new dynamism. In the field of agriculture, progress has been scanty despite the great potential.

The strategy to be defined for the 1980s should contain the formulae and modalities which will facilitate the convergence and interconnexion of the different integration systems and machinery; the integration systems and SELA in their respective sphere of competence, should play an important role in this task and in the harmonization of the formal systems and the de facto forms of co-operation.

In order to impart greater dynamism to the economic integration process in Latin America, reforms must be carried out in order to advance in other fields of economic development in addition to tariff reduction and the establishment of industrial complementarity programmes and agreements, such as the infrastructure, agriculture, technology, transport and the defence of common interests. Measures must also be taken within the formal integration schemes to facilitate an effective solution of the problems involved in the fair distribution of benefits and risks among the participating countries, ensuring a real and timely transfer of financial and technological resources to the less developed countries.

Moreover, formulae and machinery must be established to facilitate the convergence and interconnexion of the different integration schemes and machinery for this purpose, the integration systems themselves and SELA, in view of its flexibility, should play an important role within their respective spheres of competence, giving impetus to co-operation activities in specific fields aimed at drawing up common regional positions for negotiations in international forums or for making use of the joint bargaining and purchasing power of Latin America.

The La Paz Appraisal, para. 226 and 228

(f) Economic co-operation among developing countries

The fundamental framework of economic co-operation among developing countries consists of:

(i) the decisions adopted at the Conference on Economic Co-operation among Developing Countries (Mexico, 13-22 September 1976);

(ii) the Programme of Action on Economic Co-operation and the corresponding resolutions adopted by the Fifth Conference of Heads of State or Government of the Non-aligned Countries (Colombo, 16-19 August 1976), concerning co-operation between developing countries, as well as the recommendations on the subject drawn up at the Conference of Ministers for Foreign Affairs of the Non-aligned Countries (Belgrade, 24-29 July 1978);

(iii) the first short- and medium-term plan of action for global priorities relating to economic co-operation among developing countries adopted by the Fourth Ministerial Meeting of the Group of 77 (Arusha, February 1979);

(iv) the Buenos Aires Action Plan, adopted at the United Nations Conference on Technical Co-operation among Developing Countries (30 August-12 September 1978).

With the aim of facilitating agreements and the adoption of joint positions by the region concerning the subjects and actions referred to by the above plan of action, it is recommended that the appropriate regional bodies, especially SELA and CEPAL, should be strengthened.

The La Paz Appraisal, para. 263, 264 and 266

(g) Relations with industrialized countries

Highly important in Latin America's relations with the United States are not only specific aspects of their mutual relations but also the role of the United States in the solution of international, multilateral problems which are the subject of the North-South dialogue. The matters of priority interest for Latin America include:

(i) the need for the Generalized System of Preferences not to be used as an instrument of economic coercion, and accordingly for the elimination of the discrimination in the system against Cuba, Ecuador and Venezuela;

(ii) improvement of conditions of access to the United States market for exports from Latin American countries, for example by means of improvement of the United States Generalized System of Preferences, and especially its extension to a larger number of products of interest to the region, and the elimination of the restrictions arising from the application of the competitive need formula and rules of origin;

/(iii) the

(iii) the gradual elimination of tariff and non-tariff restrictions on primary, semi-manufactured and manufactured goods of major export interest to the region;

(iv) support by the United States for the search for special and differential arrangements for the use of subsidies and countervailing duties, which should go beyond the narrow limits of what is emerging on this issue from the multilateral trade negotiations;

(v) adherence by the United States to the measures to reduce and eventually eliminate instability in export revenues vis-à-vis the import requirements of the developing countries caused by factors external to their economies.

The aspects of greatest interest to Latin America in the trade policy of the European Economic Community are:

(i) the elimination of phytosanitary and other restrictions which impede access for various products of interest for Latin America, and especially meat and meat products;

(ii) the elimination of obstacles to trade in goods for which Latin America has competitive advantages, and avoidance of a revival of protectionism;

(iii) the adoption of a programme for the gradual elimination of harmful features of the Common Agricultural Policy.

Of importance for Latin America within the general policy for the expansion and diversification of economic relations is the expansion and diversification of its trade and other economic relations with other developed countries, particularly Canada and Japan; it is necessary to correct the deficit trend in the region's trade balance and broaden the range of goods exported.

Mention should also be made of the interest of Latin American countries in diversifying their exports to the CMEA countries (which at present consist almost entirely of primary products) by exporting manufactured products.

The La Paz Appraisal, para. 272 and 273

(h) Technology

Latin America considers that it is of fundamental importance to emphasize the urgent need to adopt a mandatory international code of conduct for the transfer of technology.

The region also attaches great importance to:

(i) the establishment in the countries of the region of appropriate institutional machinery, particularly national centres for the development and transfer of technology;

/(ii) the

(ii) the strengthening of the region's own capacity for adapting and creating technology, this being an objective which, together with the transfer of technology from abroad, should be achieved in the conditions required by the development of each country and in accordance with the orientations established by each country;

(iii) the introduction and improvement of machinery in the public sector to contribute to the search for and dissemination of technologies suited to these conditions, which will enable the State to fulfil its responsibility in acquiring in the world market technologies which are suitable for development;

(iv) the drawing up of preferential agreements for the development and transfer of technology between Latin America and other developing regions;

(v) the establishment in Latin America of subregional and regional centres for the development and transfer of technology which will serve as a link with the national centres of the other developing countries, or the strengthening of existing centres;

(vi) the establishment or strengthening of subregional, regional or interregional centres in Latin America for the development and transfer of technology in specific sectors of key importance.

The La Paz Appraisal, para. 103 and 106

B. INTERNATIONAL MONETARY SYSTEM

1. The present situation

As from the collapse of the Bretton Woods system in 1971, international monetary relations have been characterized by extraordinarily high and persistent inflation and by great instability in the exchange rates of the main currencies. Although specific measures have since been adopted, the process of international adjustment has not been satisfactory and major imbalances continue to exist. This is particularly serious in the context of an international economy in which low rates of growth in production and trade exist alongside high rates of unemployment and underemployment, underutilization of resources and inflation.

The so-called "interim period" intended to solve the severest problems of the international monetary crisis is not regarded as having been satisfactory. As a result, the international monetary system will require structural reforms which ensure the effective participation of the developing countries in the organization and management of a new international monetary system which, among other features, will offer them adequate resources to overcome the problems of disequilibrium in their balance of payments.

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The La Paz Appraisal, para. 275, 276, 277 and 278

2. The policies proposed

It is necessary to work for the strengthening of the decisions recently adopted within IMF concerning the increase in quotas, the establishment of the additional financing facility and the new allocation of Special Drawing Rights (SDRs). In this regard the Latin American countries recommend:

(i) that account should be taken in future increases of quotas of the proposal made on the occasion of the seventh general review that the developed countries should finance the SDR component of the quota increases of the developing countries;

(ii) the establishment of a complementary long-term financial facility for the purchase by the developing countries of capital goods on the most favourable possible terms, is also necessary;

(iii) significant progress in the implementation of the decisions adopted to make Special Drawing Rights the principal reserve asset in the International Monetary System, with the aim of ensuring that world liquidity does not originate in the structural imbalances or payments deficits of the reserve-currency countries;

(iv) more flexible conditionality for the use of the IMF balance-of-payments resources to stimulate a recovery in general economic activity in the developing countries, the growth of their trade and employment in particular and to facilitate a more balanced process of adjustment.

When overseeing the principal exchange rates in the present system of dirty floating, IMF should intensify its vigilance over the principal currencies and pay due attention to the special circumstances of the developing countries.

It will be necessary to improve and extend the existing compensatory financing facilities with the aim of fully offsetting the drop in the purchasing power of the exports of the developing countries resulting from changes in relative prices or from falls in volume measured against the trend in the growth rate.

Of the recommendations adopted in Arusha, the Latin American countries emphasize the following:

(i) inclusion of measures by virtue of which the developed countries with surpluses and the reserve-currency countries accept a fair share of the burden of adjustment and the institution of a link between the creation of Special Drawing Rights and the financing of development, in accordance with the forms proposed at the Arusha meeting;

/(ii) ensuring

(ii) ensuring fairer and more effective participation by the developing countries in the taking of decisions in the institutions of the international monetary system;

(iii) opening of a subsidy account so that the developing countries can seek loans from the complementary facility of IMF;

(iv) making use of the IMF and Group of 77 meetings to be held in Belgrade in 1979 to study the desirability of convening an international conference on currency reform in close consultation with the Group of 24;

(v) reaffirmation of the principle that the international financing institutions should fulfil their role without establishing distinctions among their member countries, and without co-operation being tied;

(vi) advocating that the multilateral monetary and financial institutions should grant credits without invoking political criteria; in addition, that they should not make their balance of payments support financing conditional on the acceptance by the developing country of measures and programmes which involve social costs and damage, thus running counter to the fundamental purposes and objectives for which they were created.

SELA, p. 34

C. EXTERNAL FINANCING

1. The present situation

The need should be mentioned of systematizing financial co-operation and schemes for the bilateral and multilateral transfer of financial resources on different conditions and terms, with the object of organizing a global framework of international financial co-operation for development. The co-ordination and linking of these flows is very inadequate and gives rise to a series of lacunae and imbalances in the external financing of the developing countries. Mention may be made in this regard of those concerning the difference between needs and availability, the conditions and terms for facilitating the resources and the payments capacity of the developing countries. There is also a lack of symmetry between the discontinuity and uncertainty of what is available, vis-à-vis the need for permanent external resources which can be counted on in order to carry out the economic development programmes of the developing countries. These difficulties in the present financing system lead to a permanent scarcity of resources and the accumulation of liabilities which become problems of indebtedness. If to these financing problems are added those of the external trade of the developing countries, it is inexplicable that they should continue to be required to exercise

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foresight in their economic development programmes, since the external sector of their economies - a critical sector in the majority of cases - is subject to a high degree of uncertainty and depends to a large extent on the goodwill and policies of the industrialized countries.

The La Paz Appraisal, para. 104

Flows of multilateral public resources at the present time are not increasing at the rate required and are losing relative importance. Furthermore, the countries of the Organization for Economic Co-operation and Development (OECD), both bilaterally and in multilateral forums, are adopting the limited criterion of linking capital flows to per capita income, so that above certain levels, official development assistance is small or has been abolished altogether. Since many Latin American countries at the present time are above these levels of per capita income, the region as a whole is virtually excluded from the official aid flows.

The La Paz Appraisal, para. 279

2. The policies proposed

(i) Net flows of resources and the terms of their transfer

The Latin American countries support not only the objective that the developed countries should earmark 0.7% of their gross product for official development assistance, but also the objective of achieving a higher level with an appropriate share for Latin America, without jeopardizing the flows of resources to the remaining developing countries. The policies of the official development financing institutions should be subject to the priorities of the developing countries.

The La Paz Appraisal, para. 291

(ii) Direct private investment

Direct private investment should be compatible with national legislation and with the development priorities of the countries of Latin America, including the aim of permitting greater local participation in management, administration, employment and in-service training of local staff, as well as greater local participation in ownership of the enterprises concerned. In that regard, mention should be made of the urgent need to draft a code of conduct to govern the activities of transnational corporations.

The La Paz Appraisal, para. 292

International financial co-operation

At the fourth Ministerial Meeting of the Group of 77, Latin America, together with the other developing countries, approved a programme of action on monetary and financial issues to whose application the region attaches great importance. In this appraisal the Latin American countries reiterate the need for the developed countries to commit themselves effectively to the drawing up of a broad system of financial co-operation in the firm conviction that

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this would prove to be of benefit to the entire international community. The objectives of the system should include the following:

(i) a transfer of resources in real terms should be ensured so that the developing countries reach the targets they have laid down for development;

(ii) the form and composition of these capital flows should be compatible with the development plans of these countries and fully in keeping with their development priorities;

(iii) the terms of this transfer of resources should be in keeping with the debt servicing capacity of the developing debtor countries;

(iv) the developed countries which have not yet reached the internationally accepted target for ODA should increase their aid substantially so as to attain the target and introduce qualitative improvements in their aid;

(v) a multilateral framework should be established for the future borrowing operations of interested developing countries, which should safeguard their development plans on the basis of resolution 165 (S-IX) of the Trade and Development Board;

(vi) the transfer of resources should be founded on a predictable and increasingly secure basis so that the developing countries can prepare their development programmes with certainty;

(vii) periodic checking or evaluation should be effected both of the inputs required from the developed donor countries and multilateral institutions and of the operation of any of the elements of the system of international co-operation in order to correct shortcomings.