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**ALGUNAS REFLEXIONES ACERCA DEL PERIODO EXTRAORDINARIO DE
SESIONES DE LA ASAMBLEA GENERAL Y DE LA ESTRATEGIA
INTERNACIONAL DEL DESARROLLO**

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A. INTERNATIONAL ECONOMIC CO-OPERATION AT THE END OF THE 1980s

1. In 1989, the OECD economies are registering their seventh year of steady growth, whereas great areas of the developing world --including the great majority of the countries of Latin America and the Caribbean-- are suffering from long-standing stagnation or even actual setbacks in their standard of living. At least part of the unfavourable evolution of these latter countries is attributable to the forms of interaction between their economies and the rest of the world. The developing countries are therefore seeking various forums for examining the forms and consequences of this interaction and defining new directions for international economic co-operation.

2. From the point of view of the developing nations, navigating the turbulent waters of the international economy has become a much more complex and risky venture than in the past. The economic situation of the 1980s has been characterized by high real interest rates, instability of the exchange rates of the main currencies, severe difficulties in obtaining fresh capital, and obstacles in gaining access to the markets of the developed nations, all because of the public policies applied by the latter countries. The developing countries have also been adversely affected by the sharp drop in the export prices of most basic commodities and raw materials; the internationalization of the capital markets, which, far from providing them with greater resources, have tended to become poles of attraction for absorbing liquid assets; and the lack of capacity to adapt to the rapid technological changes which are affecting the whole system of comparative advantages in world trade. There has even been a tendency towards the disappearance of some of the measures adopted in previous decades by the industrialized nations in order to alleviate the disadvantages suffered by the developing countries within the context of the negative phenomena described above. Examples of such now-imperilled measures of assistance are the various preferential tariff systems, and international agreements for defending the prices of basic commodities (sugar, cocoa, and coffee, among others).^{1/} An item which expresses in quantitative terms the overall effects of these phenomena is the considerable mass of financial resources which the developing world in general, and Latin America and the Caribbean in particular, has transferred to the developed world since 1982.

3. There is also a great gulf between the different ways of perceiving the causes of this situation. The developed world tends to assign most of the responsibility to the "unsuitable" or "mistaken" economic policies of the developing countries themselves, whereas in the latter it is considered that the negative factors originating in the international economy represent the main obstacle to reactivation. These widely different perceptions have undoubtedly made the dialogue more difficult. The statements of the developing countries necessarily tend to sound like denunciations: their

proposals are aimed at obtaining greater even-handedness in international economic relations, and they put the emphasis on the measures that should be taken by the countries with the greatest weight in the international economy, that is to say, the developed countries. In contrast, the statements of the developed nations, which in recent years have even taken on a markedly doctrinaire tone, criticize most of the developing countries for alleged shortcomings in the way they handle their economic policy, and consequently they place the emphasis on domestic measures that they claim the latter should adopt in order to take advantage of the potential offered by a rapidly expanding international economy.

4. In recent times, a matter of deep concern for the Third World countries has been the fact that the whole concept of their development seems to have lost priority among the governments and public opinion of the industrialized countries. This is partly because there are other topics which have acquired greater stature on the international agenda of the latter countries: peace, the economic relations among the main developed countries, defence of the environment, the struggle against terrorism, and measures to deal with drug trafficking. It is also partly due to the fact that the climate of idealism which existed in some countries in previous decades has given way to what some observers call greater "realism".^{2/} It is noteworthy, for example, that at the recent summit meeting of the seven main developed economies, held in Paris in mid-July, the Heads of State generally seemed to be satisfied with the world economic situation, and their references to the development of the Third World were relatively low-key.^{3/}

5. In short, the growing disparities mentioned above --both at the level of concrete facts and at that of perceptions-- are added to the urgent need to restore economic development as one of the great objectives of the international community, and taken together they amply justify the resumption of a constructive dialogue between the countries of the North and the South, or, if you prefer, between the developed and developing countries. It may be added that in recent times, actions at the multilateral level in the sphere of development have been markedly weakened. The main developed powers tend to explore their mutual economic relations within the framework of restricted forums such as the Group of Five and the Group of Seven and to give preference to bilateral means in their negotiations with the developing countries. When they do resort to multilateral agencies, they show a marked preference for those where they have the highest degree of control: the forums of the World Bank and the International Monetary Fund in the financial field, and the General Agreement on Tariffs and Trade (GATT) in the field of trade.^{4/} To put the matter in plain language, there are more than enough reasons for resuming the North-South dialogue, but for one of the sides involved, this dialogue is apparently not of any great interest, at least within the framework of the United Nations General Assembly.

B. THE SPECIAL SESSION OF THE GENERAL ASSEMBLY AND THE INTERNATIONAL DEVELOPMENT STRATEGY: MEANS FOR BRINGING BACK THE TOPIC OF DEVELOPMENT IN A MULTILATERAL CONTEXT

6. In their efforts to restore and revivify the topic of development in multilateral forums, the developing countries proposed two initiatives to the General Assembly at its forty-third session, and the Assembly decided to give its backing to these efforts, which are interrelated from the formal, political and substantive points of view. The first of these measures is reflected in the General Assembly's intention to adopt an International Development Strategy (IDS) for the Fourth United Nations Development Decade.^{5/} The second measure is reflected in the decision to hold a special General Assembly session in 1990, devoted to international economic co-operation and the reactivation of growth and development.^{6/}

7. There is as yet no consensus about the content or the precise scope of either of these exercises, or about the linkages that should exist between them. Progress is being made in this direction, however. With regard to the International Development Strategy, an Ad Hoc Committee of the Whole has been set up to prepare it. This Committee has already met on two occasions, under the chairmanship of Mr. Gamani Corea (Sri Lanka). In the case of the special session, an intergovernmental preparatory committee has been set up under the chairmanship of Ambassador Constantine Zepos (Greece). The views of the United Nations Secretariat on these two exercises are set forth in two corresponding notes.^{7/} The delegations of Latin America and the Caribbean, for their part, have also prepared a reference document containing the region's views on the IDS,^{8/} although no such action has yet been taken with regard to the special session.

8. An institutional forum has thus been proposed for a new round of consultations, dialogues, negotiations and agreements on the future evolution of international economic relations and the role of international economic co-operation. The two exercises in question are aimed at reactivating the growth of the economically underdeveloped countries, and both of them seek to strengthen the United Nations as an international co-operation forum. The preparatory work which is in progress will not only provide guidelines on the content and scope of the Special Session and the IDS for the Fourth Development Decade, but will also lead to a reappraisal of the role of the United Nations in the economic and social sphere and, possibly, to guidelines for the redefinition of the respective responsibilities of the developed and developing countries in an increasingly complex world economy.

9. The initial reactions of the developed countries to these two initiatives show some differences. One of the main countries participating in

the Group of Seven has displayed some resistance to these proposals. This fact together with the various reservations expressed by other developed countries, makes one wonder whether the developing countries will be able to convince the industrialized countries that the exercises in progress would be potentially beneficial for all the parties involved in the negotiations. What has been happening in the political sphere in the United Nations in recent years shows that this multilateral forum is of unquestionable value when the main actors on the international scene participate fully in it and endow it with the necessary powers. There is no reason why this highly positive experience should not be repeated in the economic and social sphere, provided the main member countries show the political will which is essential for this. In view of the obvious climate of resistance in certain developed countries, however, one must harbour some doubts as to this possibility. The traditional arguments in favour of international co-operation (ethical and humanitarian considerations; the mutual benefits available to both developed and developing countries if the latter achieve faster economic growth; geopolitical and national security considerations) seem to have lost their force in the eyes of the public opinion and government authorities of the industrialized countries, especially in periods of fiscal difficulties.9/

10. In the face of this problem, the countries of the Group of 77 seem to be opting for a more flexible strategy. Firstly, the structural correction of the trade, financial, monetary and technological systems at the international level with a view to sharing the benefits of the expansion of the world economy more evenly among the countries, seems to be becoming a longer-term aspiration, tending to be concentrated, in the short and medium term, in demands of partial scope in a limited number of key sectors of the international economy. Secondly, the developing countries would be willing to include on the agenda some topics of special interest for the developed countries, such as environmental considerations, for example. Thirdly, it is recognized that the jurisdiction of other specialized multilateral organs makes it essential to emphasize the interdependence between the negotiating forums of the United Nations, on the one hand, and those corresponding to GATT and the multilateral finance agencies on the other. This interdependence therefore means that decisions should not be concentrated in the General Assembly if this involves the removal of specialized topics from their natural institutional setting.

11. With regard to the topics which must needs forms part of a renewed North-South dialogue --and should therefore be dealt with both in the IDS and in the special session-- many different ideas have been put forward.10/ On the one hand, there are some unavoidable aspects connected with international trade and finance: avoiding practices that restrict international trade, ensuring the access of the non-traditional products of the developing countries to the markets of the developed nations, securing special treatment for trade in basic commodities, proposing lasting solutions for the problem of the external indebtedness of the developing countries with the heaviest debt burden, and increasing the flow of official finance to the developing countries. Among the specific topics of strategic importance which have been frequently mentioned are those of the reduction of poverty, forms of development which are sustainable from the environmental point of view, food security, and the integration of women into the development process.11/

12. Finally, it is necessary to clarify the linkages between the Special Session to be held in April 1990 and the arrangement for the preparation of the IDS, which is expected to come into force as from 1 January 1991. Both these initiatives share a common subject-area, of course, although one or the other might place emphasis on different themes. It has also been suggested that the Special Session might give priority to short-term problems, while the IDS would deal rather with medium- and long-term matters. Another possibility is that the Special Session might serve as the preparatory stage for the work of the IDS and might therefore provide not only a general background (a consensus regarding the "diagnosis" of the world economy) but also policy guidelines for a new Strategy for the Fourth Development Decade. Yet another option --which however does not rule out the foregoing-- is that the Special Session might reach agreement on the implementation of institutional mechanisms which, together, would propose to the General Assembly substantive changes in the organization of the world economy, while the Strategy would define a few objectives considered to be of decisive importance for resuming the process of development in the short and medium term.

Notes

1/ Although the Caribbean Basin Initiative of the United States of America, which contains the "Caribbean Basin Recovery Act", represents a limited exception to this rule.

2/ Arthur Schlesinger Jr., The Cycles of American History, Boston, Houghton Mifflin, 1986.

3/ The Economic Declaration issued at the so-called "Summit of the Arch" has 56 points, of which only four are devoted to the general problems of development, another four to the situation of the poorest countries, and three others to the debt strategy of the highly indebted countries. It is at least admitted, however, that among the three main challenges facing the world economy is the problem of how to secure a better incorporation of the developing countries into the distribution of world economic benefits.

4/ By way of illustration, it may be recalled that the same summit meeting referred in the preceding paragraph rejected the idea of a new meeting between Heads of State of the North and the South, designed to resume the dialogue which has been interrupted ever since the meeting held in Cancún, Mexico, in 1981.

5/ Resolution 43/182.

6/ Decision 43/460.

7/ See, Preparation of an International Development Strategy for the Fourth United Nations Development Decade (1991-2000). Report of the Secretary-General (A/AC.232/3), New York, 30 May 1989, and Special Session of the General Assembly Devoted to International Economic Co-operation and in Particular to the Revitalization of the Economic Growth and Development of the Developing Countries. Preliminary Outline by the Secretary-General, New York, 12 May 1989.

8/ See ECLAC, Report of the Sixteenth Session of the Committee of High-Level Government Experts (CEGAN) (LC/G.1569(CEG.16/2)), Santiago, Chile, 28 June 1989, and especially Part Two, "Basic Guidelines of the Latin American and Caribbean Countries for the Process of Formulation of the International

Development Strategy for the Fourth United Nations Development Decade".

9/ In this respect, it may be noted that a new phenomenon which appeared at the above-mentioned Paris summit meeting is the emergence of an East-West economic co-operation axis which is competing with the traditional North-South axis for the scant resources available for this purpose. This fact is compounded by the smaller geopolitical threat that the OECD countries now appear to perceive in the underdevelopment of the South.

10/ See the items mentioned in paragraph 2 above.

11/ See ECLAC, Preparation of a Third International Development Strategy. Note by the Secretariat (LC/L.494(PLN.20/4)), Santiago, Chile, 30 January 1989, p.6.