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E C L A C
Economic Commission for Latin America and the Caribbean
Twenty-third session
Caracas, Venezuela, 3-11 May 1990



# DRAFT REPORT OF THE TWENTY-THIRD SESSION OF THE ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

As decided at the twenty-third session of the Commission, member countries will have 30 days in which to submit their comments and observations on the draft final report of the session. Upon the expiry of this period, the final version of the document will be prepared.

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## A. ATTENDANCE AND ORGANIZATION OF WORK

### Place and date of the session

1. The twenty-third session of the Commission was held in Caracas, Venezuela, from 3 to 11 May 1990. In the course of the session, seven plenary meetings were held (238 to 244).

### Attendance

2. The session was attended by representatives of the following 33 member States of the Economic Commission for Latin America and the Caribbean: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, France, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, the Netherlands, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Spain, Suriname, Trinidad and Tobago, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Uruguay and Venezuela.

3. Four associate members of the Commission were also represented: Aruba, the Netherlands Antilles, Puerto Rico */ and the United States Virgin Islands.

4. In accordance with paragraph 6 of the Terms of Reference of the Commission, observers from the following United Nations Member States which are not members of the Commission were present in a consultative capacity: Australia, Austria, Belgium, Czechoslovakia, China, Egypt, Federal Republic of Germany, Finland, Gabon, Greece, Hungary, India, Israel, Italy,**/ Japan, Lebanon, Malta, Nigeria, Norway, Poland, Romania, Union of Soviet Socialist Republics and Yugoslavia.

5. The following States which are not Members of the United Nations were also represented in a consultative capacity: Holy See and Switzerland.

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*/ Puerto Rico joined in the work of the session at the 241st meeting, following its admission as an associate member of ECLAC.

**/ The Commission adopted a resolution recommending to the Economic and Social Council that it approve the admission of Italy as a member of ECLAC.

6. The United Nations Secretariat was represented by Assistant Secretary-General Enrique ter Horst, on behalf of the Secretary-General, and by the Director of the Regional Commissions Liaison Office in New York.

7. In addition, representatives of the following United Nations bodies attended the session: Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), World Food Programme (WFP) and United Nations Population Fund (UNFPA).

8. The following United Nations specialized agencies were represented: Food and Agriculture Organization of the United Nations (FAO), International Civil Aviation Organization (ICAO), International Labour Organisation (ILO) and Regional Employment Programme for Latin America and the Caribbean (PREALC), International Maritime Organization (IMO), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Industrial Development Organization (UNIDO), Universal Postal Union (UPU), World Bank, World Health Organization (WHO), World Intellectual Property Organization (WIPO) and World Meteorological Organization (WMO).

9. The meeting was also attended by representatives of the following intergovernmental organizations: Action Committee in Support of the Economic and Social Development of Central America (CADESCA), Andean Development Corporation (ADC), Board of the Cartagena Agreement, Caribbean Community (CARICOM), Central American Bank of Economic Integration (CABE), Central American Monetary Council, Commission of the European Communities (CEC), German Agency for Technical Co-operation (GTZ), Inter-American Institute for Co-operation on Agriculture (IICA), Inter-American Development Bank (IDB), International Organization for Migration (IOM), Latin American Centre for Development Administration (CLAD), Latin American Economic System (SELA), Latin American Integration Association (ALADI) and Organization of American States (OAS).

10. The following non-governmental organizations in consultative status with the Economic and Social Council (ECOSOC) were also represented: Category I: International Federation of Business and Professional Women (IFBPW), International Organization for Standardization (ISO), International Organization of Consumers Unions (IOCU), International Social Security Association (ISSA), International Union of Local Authorities (IULA), League of Red Cross Societies (LORCS), World Confederation of Labour (WCL) and World Federation of Trade Unions (WFTV). Category II: AFS International/Intercultural Programs Inc., Baha'i International Community, Caritas Internationalis (International Confederation of Catholic Charities), Data for Development International Association (DFD), Inter-American Planning Society, International Rural Housing

Association (IRHA), International Union for the Scientific Study of Population (IUSSP), Lutheran World Federation, Panamerican Federation of Engineering Societies, The Salvation Army, World Alliance of Young Men's Christian Associations (YMCA) and World Council of Churches (WCC). Roster: Latin American Confederation of Tourist Organizations (COTAL) and Latin American Social Sciences Council (CLACSO).

11. In the category "Other non-governmental organizations", the following organizations attended: Association of Non-Governmental Organizations (ASONG), Art for Peace Programme and South American Commission for Peace, Regional Security and Democracy.

12. Attending the session as a specially invited guest was Mr. Jesús Silva Herzog, of the Centre for Latin American Monetary Studies (CEMLA).

## Credentials

13. Pursuant to rule 15 of the Commission's Rules of Procedure, the credentials of the delegations as submitted to the Executive Secretary were examined and found to be in order.

## Opening ceremonies

14. The technical stage of the twenty-third session was opened in the "Simón Bolívar" Convention Centre, Caracas, at 11.00 a.m. on Thursday, 3 May. At the opening ceremony, addresses were delivered by the head of the Brazilian delegation, Mr. Antonino Gonçalves, on behalf of the country which had presided over the last session of the Commission; the Executive Secretary of ECLAC, Mr. Gert Rosenthal, and Ambassador Miguel Rodríguez Mendoza, on behalf of the host country.*/

15. The opening ceremony of the ministerial stage took place at 10:00 a.m. on Wednesday, 9 May in the "Manuel Pérez Guerrero" Conference Hall. Addresses were delivered by Ambassador Luis Felipe Lampreia, on behalf of Brazil; by United Nations Assistant Secretary-General Mr. Enrique ter Horst, who read a message from Secretary-General Javier Pérez de Cuéllar; by Mr. Gert Rosenthal, Executive Secretary of ECLAC; and Dr. Reinaldo Figueredo Planchart, Minister for Foreign Affairs of Venezuela.

16. The representative of Brazil, in his capacity as outgoing Chairman of the session, said that he was pleased to be able to hand over the chairmanship to Venezuela, a country with which

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*/ See the summaries of these statements in section C, paras. 49 to 75.

Brazil shared the principles of harmonious and constructive relations.

17. Brazil attached vital importance to integration and regional economic co-operation, based on the principles of realism, flexibility and mutual benefit, as an indispensable condition for achieving the aspirations shared by the region. It also recognized the urgent need for greater investment in science and technology, industrial infrastructure, education and social welfare. It was also aware of the need for economic agents to adopt a new approach and for the business sector to show a greater willingness to take risks and to improve efficiency and innovation in production.

18. On another level, he drew attention to the unprecedented circumstances that characterized the international situation at the start of the 1990s: a time in which the region was once again facing a major turning point in its economic history, dealing with crucial questions upon whose answers the common fate of the nations of Latin America and the Caribbean would largely depend. That challenge, in its magnitude, was comparable to that of the 1950s when, in the context of a world in reconstruction, the region collectively had taken its first real steps forward in its search for a less uncertain future in which it could achieve economic independence and overcome poverty. The path that was then pursued, in keeping with the ECLAC principles of industrialization through import substitution and the expansion and strengthening of domestic markets, had for several decades enabled many countries in the region to achieve solid successes.

19. However, the changing nature of the international situation, together with the rather rigid structure of the region's economies and the persistent inequality in its distribution of income, had frustrated efforts to achieve the long-sought objective of making the region's economies resistant to adverse new international conditions. The region currently faced the challenge of changing its production patterns and of recovering from a decade of virtual economic stagnation. In several countries, moreover, there was an urgent need to address the question of the enormous social debt, which could not be put off any longer. The region also faced a tremendous technological challenge, and failure to meet it could possibly lead to an irreversible widening of the gap between the industrialized world and the developing economies of the region. His delegation was therefore convinced that now more than ever none of the countries of the region could pursue individual solutions or attempt to overcome the common crisis merely by their own efforts and with their own resources.

20. In conclusion, he observed that the Commission had resumed its historical role as a centre for economic thought in the Latin American region, thereby reaffirming its vocation as a regional forum for the highest form of intellectual debate on economic issues.

21. Mr. Enrique ter Horst read out the message from the Secretary-General of the United Nations to the twenty-third session of ECLAC.

22. In his message the Secretary-General thanked President Carlos Andrés Peréz of Venezuela, for hosting the session of the Commission and expressed his satisfaction at being able to address the countries of the region at so crucial a time.

23. He termed as excellent the documentation prepared by the Secretariat of the Commission on changing production patterns with social equity and on the external debt, expressing hope that the debate on those questions would help to change the productive apparatus and to relieve poverty in the region.

24. The tremendous changes now under way at the world level, particularly in Eastern Europe, had caught Latin America at a time of great vulnerability. In that context, the external debt, whose systemic nature had taken a long time to be identified, was the greatest barrier to the region's full participation in the restructuring of the world economy.

25. The limitations inherent in the approach currently taken to the problem of external indebtedness (Brady Plan) called for the strengthening of the efforts being made and for closer attention by the United Nations; for that reason he had entrusted the distinguished Italian statesman Bettino Craxi, as his representative, with the task of exploring new options.

26. Unless an effective solution was found, the process of globalization could force the region to fall back on its own resources rather than seeking negotiated integration. The latter constituted the most solid, durable approach both for the Latin American and Caribbean countries and for the developed countries. Interdependence was to be achieved by means of a joint effort to explore all aspects of the problem and by taking all interests into consideration.

27. The restructuring of the economies of the region called for vigorous steps to promote a form of integration which would help to reduce the burden of the debt, generate the resources needed and consolidate democratic governments. At the eighteenth special session of the General Assembly, the changes which had occurred in Eastern Europe and the Soviet Union had been regarded as positive for purposes of international economic co-operation, but a warning had been sounded that the support needed to integrate those countries into the world economy must not be allowed to threaten the high priority which should be placed on international co-operation with the countries of the South.

28. There was also an urgent need to protect the environment from the hazards related to current patterns of development, and it was important for the underlying causes of the problem to be tackled

at the United Nations Conference on Environment and Development to be held in Brazil in June 1992.

29. Finally, the countries of the region needed to unite their efforts to arrive at a common position which would enhance their potential for positive participation in the new international economic system now emerging.

30. After referring to the warm hospitality received and the significance of holding the present session in Venezuela, the Executive Secretary of ECLAC said that the meeting was taking place at a particularly momentous time, when the events affecting the region meant that the permanent concerns of the Commission were being raised in a context radically different from that of only a few years ago.

31. In that respect, he mentioned the transformation of the very bases of the international economic order: a process which had speeded up to a dizzy pace over the last decade, bringing with it changes in the trade, monetary and financial, technological and also cultural and social fields. Even more momentous was the profound change in the world geopolitical order, which had led to a situation that opened new possibilities for international relations. There was a feeling that humanity was at a turning point, and there was some bewilderment about the consequences of the changes that were taking place. On the one hand, it was felt that they favoured democracy, peace, prosperity and social justice; on the other hand, however, it was feared that those favourable effects would not be felt with equal force in all parts of the planet, and that the developing world in general and Latin America and the Caribbean in particular were in serious danger of remaining permanently excluded from them.

32. Despite that context, however, the Secretariat affirmed that there was indeed a way out for the region. That encouraging view was based on the positive achievements registered in the 1980s, including the marked trend towards pluralistic democratic processes in the countries and the lessons that had been learned in the economic field during that decade. Starting from the conviction that the task of getting back onto the road to development had to be assumed by the region itself, the Executive Secretary proposed three main lines of approach. The first of these concerned international competitiveness: in the new and complex circumstances of the external environment, the vital need for an internal effort was becoming increasingly pressing, and it was becoming essential to make changes in the production patterns of the countries. The second was connected with the capacity and possibility for innovation, combining the objectives of efficiency and equity and making possible a dynamic and creative interaction between public and private agents so that the region could build its own road to development on the basis of the special features and circumstances of each of the countries. The third line of approach concerned the

possibilities for collective action and intraregional co-operation, which could improve the region's capacity to influence world events and increase its leeway in the areas of international relations and economic co-operation.

33. The developed countries could not elude their responsibilities and that international co-operation would have a crucial role to play in support of the countries' efforts to further their own development, for the eradication of poverty could not but help to benefit the whole world community. In that respect, he referred to what had been called the "peace dividend" and to his belief that the results of the countries' internal effort would renew their legitimate right to demand that the international community should shoulder its responsibilities in such matters as the overindebtedness problem.

34. In urging the governments and peoples of the region to undertake a deliberate and sustained effort to change production patterns, the Secretariat was invoking the enormous potential of regional co-operation and, in the best traditions of the United Nations, would place at the disposal of the countries new machinery and fresh forms of international economic co-operation in order that the longed-for vision of peace, democracy, prosperity and social justice should really come within the reach of all the countries of the world.

35. In his opening address the Minister for Foreign Affairs of Venezuela first recalled the essential features of Latin American development in recent decades and the contribution of ECLAC to the forging of regional thinking. He then drew attention to the dilemma facing the Latin American democracies, developing in further detail the external factors, as well as the domestic ones, which had brought on what had become known as the crisis in regional development. He went on to review a tentative agenda of some fundamental topics that would determine the economic evolution of the region in the 1990s, and related the preceding subjects with the contents of the ECLAC proposal, Changing production patterns with social equity.

36. He paid tribute to Raúl Prebisch, who had been a source of inspiration for ECLAC, an institution which had helped to form contemporary Latin American thinking and which represented, in his view, the main centre of reflection and research on the region's development. He then noted the progress made in the initial phase, and the shortcomings inherited from the past with regard to efficiency, regional integration and the region's international position, issues which would have to be dealt with in the coming decade.

37. He went on to describe the dilemma facing the dynamic, healthy and heartening process of democratization of Latin America --the first priority of the continent-- in terms of reconciling the

essential adjustment of their economies with the strengthening of societal peace, and he wondered whether it was possible to create democracy by requiring the mass of the population to sacrifice themselves for a future which they themselves did not see as hopeful.

38. Further analysing the economic evolution of the 1980s, and acknowledging the inefficiency of domestic production structures, he identified some of the external factors that were aggravating the crisis in Latin America, transforming the distortions inherent in any developing economy into a profound development crisis. Those factors included the rise in interest rates, the net transfer of financial resources abroad, the reduction of direct foreign investment, the deterioration of the terms of trade and what he called "new and growing protectionism", which seemed to have particularly affected agroindustrial and tropical products, textiles, steel, petrochemicals, automotive parts and the electronics industry. The external environment and domestic setbacks were the explanation for the poor performance of the 1980s, which President Carlos Andrés Pérez had called the "perverse decade".

39. He then noted the instability, indetermination and uncertainty of the external environment of the 1990s and their possible effects on the vulnerability of the region. He developed some of the main topics of the external agenda of Latin America, stressing that it was essential to solve the debt problem in order to rekindle growth, and made some observations about the advantages and shortcomings of the Brady Plan. He drew attention to the limited financial resources available to soften the impact of adverse external circumstances, the growing needs with regard to conditionality, and the insufficient access on the part of many developing countries to the required international liquidity. With respect to increasingly marked decline in Latin America's share in international trade, he pointed out that there had been little co-ordination among the developing countries, especially during the recent GATT negotiations: a fact which had affected the relevance of the new topics being debated therein.

40. Finally, he said that the importance of the issues under consideration and the quality of the work presented by the ECLAC Secretariat confirmed the opening of a new phase in Latin American economic thinking, which should be reflected in the strengthening and greater outreach of the Commission. He expressed his agreement in large part with the principal document, Changing production patterns with social equity, and, on behalf of his Government, he congratulated the Executive Secretary of ECLAC and his team of collaborators on their accomplishments and reiterated to all the participants in the meeting his most cordial welcome to Venezuela.

## Election of Officers

41. At the first plenary meeting (238), the delegations elected the Officers of the twenty-third session as well as those of the three committees and one specialized meeting, open to all participants, which were set up to deal with the various agenda items.

42. The Officers of the twenty-third session of the Commission were as follows:

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| Chairman: | Venezuela |
| First Vice-Chairman: | Spain |
| Second Vice-Chairman: | Suriname |
| Third Vice-Chairman: | Cuba |
| Rapporteur: | Colombia |

## Committees

43. To carry out the work of the technical stage, the participants formed three committees and organized a specialized meeting which were open to all delegations.

44. Committee I dealt with the reactivation of the economic and social development of the region (agenda item 3) and the structure of the international development strategy for the 1990s: some considerations from the standpoint of Latin America and the Caribbean (agenda item 4).

45. Committee II considered meetings of auxiliary bodies, and regional meetings sponsored by ECLAC in preparation for United Nations world conferences: conclusions and recommendations (agenda item 6); other activities of the ECLAC system since the twenty-second session, and programme of work of the Commission for the biennium 1992-1993 (agenda item 7); calendar of conferences for the period 1990-1992 (agenda item 8), and some recent resolutions adopted by United Nations organs which require to be brought to the attention of the Commission (agenda item 9).

46. The Committee on Co-operation among Developing Countries and Regions, a sessional committee, dealt with item 5 of the agenda.

47. A meeting to mark the culmination of the International Drinking Water Supply and Sanitation Decade was also held as part of the twenty-third session (agenda item 10).

## Documentation

48. The list of working documents submitted by the Secretariat at the twenty-third session of the Commission is given in annex 5.*/

## Closing meeting

49. The closing meeting was addressed by the Executive Secretary of ECLAC, Mr. Gert Rosenthal; the Minister of Economic Affairs, Development and Technology of Chile, Mr. Carlos Ominami, on behalf of the participants; and the President of the Republic of Venezuela, Mr. Carlos Andrés Pérez.

50. The Executive Secretary of ECLAC, after thanking the President of Venezuela for his presence and for the hospitality of the host country, gave a brief summary of the session, which he said had been a resounding success from the standpoint of the Commission's future activities. The success was due in part, in his view, to the constructive climate of dialogue which had inspired all delegations present, and in part to the splendid support received. He drew attention to the incorporation of Italy as a member of the Commission and Puerto Rico as an associate member, and noted that both would contribute to the enrichment of the forum. At the current session, following the usual practice, note had been taken of the work of the Commission, and its programme of work had been presented. Besides accomplishing those tasks, which were a part of all sessions, the meeting had had exceptional features: it had been held in a context of important world changes and at a particularly timely moment for a painstaking, retrospective and forward-looking analysis, which reflected the governments' determination to put an end to economic and social deterioration.

51. During the meeting, on the basis of the various situations in the region, a thoroughgoing debate had taken place on how to achieve economic development in democracy. Its results had been enlightening and highly constructive, and the delegations had given broad support to the key document presented by the Secretariat. Among the conclusions of the debate, he referred particularly to those concerning national efforts and international co-operation. With regard to the former, he pointed out that a change in production patterns with social equity ought to be achieved fundamentally through the dissemination of technological advances throughout the production process; that it would not arise automatically from an appropriate macroeconomic climate but would require sectoral and institutional actions, including dissemination of technology, education and training and the strengthening of management capabilities; that modernization of production and distributive justice were inseparable concepts; that the environmental dimension should be incorporated into the development

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*/ Document LC/G.1618(SES.23/9).

process; that the achievement of the proposed goals would require a platform of basic agreements among the major political and social actors; that the role of the State should be redefined; and that Latin American integration and intraregional co-operation would have to play a decisive role in the process of changing production patterns. As for international co-operation, he noted the consensus as to the need to restore economic development as one of the major objectives of the world community, and the general agreement among the countries of Latin America and the Caribbean as to the urgency of reversing the outflow of resources, solving the external debt problem and other topics on which consensus had been reached in an important resolution adopted during the session.

52. Concluding his statement, he drew attention to the achievements of the session. At a time of philosophical crisis and concern for immediate survival, it was of the utmost importance to resume the fundamental debate on economic development, and the session had carried out certain essential tasks involving the clarification of ideas on how to reverse the recessive trends of recent times.

53. The Minister of Economic Affairs, Development and Technology of Chile, on behalf of the member countries of ECLAC, thanked the Government and people of Venezuela for their generous hospitality. After drawing attention to the historical ties of friendship which united the Venezuelan and Chilean peoples, he recalled the ideas and actions of Raúl Prebisch which had engendered a current of Latin American economic thought, and he pointed out that ECLAC was presently continuing its efforts to lay the intellectual foundations for the countries of the region to resume the path to development, progress, peace, security, social justice and democracy. At the present session, the Commission, through its proposal on changing production patterns with social equity, had provided its members with a series of solid and meaningful ideas to help their governments confront the new century. He also noted that the debate, which he regarded as thoroughgoing and enlightening, had been carried out in a spirit of consensus, which demonstrated the real possibility of joining forces to bring to fruition the noble objective of making economic changes with social justice within democracy.

54. The challenge facing the region, after it had assimilated the dramatic realities of the 1980s, would be to confront the future with optimism and courage and with innovative ideas. To that end, the region must gain a position in a more favourable and equitable international economic environment, for which it would need the support of the developed countries. The main problems of the region, such as external debt and the net transfer of resources abroad, the difficulties of international trade, enormous technological distances, the failure to protect the environment and natural resources, the problem of drug trafficking and the lack

of funds for urgent social projects to eliminate extreme poverty would also require international co-operation.

55. He agreed with the Executive Secretary's conclusions about the session, and thanked ECLAC for the work accomplished, which had enabled its members to carry out at the session the painstaking analysis of the regional situation that was an essential pre-condition to enable the countries to meet a series of major challenges ahead of them. He also reiterated his thanks to the President of Venezuela, saying that a renaissance in the intellectual leadership of ECLAC had occurred in Caracas, and extended an invitation to the delegations for the next session, which he hoped would be held in Chile, and where the important work begun could be continued.

56. The President of Venezuela said that he was pleased to have been able to participate in the session and noted that ECLAC had been an extraordinary source of ideas and would continue to be an essential point of reference for the region-wide development of relevant theories and concepts. After paying warm tribute to Rául Prebisch's work, he noted that the time was ripe for carrying on the quest which he had initiated, and for preparing to make all the changes needed to generate innovative ideas and practices.

57. The 1980s --which he called the "perverse decade"-- had been characterized not only by a worsening of economic difficulties and problems, but by something even more momentous: the loss or abandonment of the integrationist movement, and along with it the weakening of multilateral institutions. The present meeting, however, was being held in special circumstances, in which political and economic changes in the world gave cause for optimism. Mankind was clamouring for democracy, and the developing peoples were renewing their will and faith. With the globalization of the world economy and the technological revolution, the challenges represented by the Latin American situation were the greatest in the contemporary history of the region, which was being faced with the urgent need for a thorough review of its concepts and practices concerning growth and development.

58. To face the economic challenge successfully, the region would have to resolve five fundamental dilemmas. The first was the transformation of productive structures to adapt them to the exacting conditions of international competition. That meant that import substitution should express the real potential and advantages of the economy and not depend on artificial mechanisms that were unsustainable through time, and that the economy must eliminate the anti-export bias which had been its salient feature. The second dilemma was the linkage between economic and social policies: the changing of production patterns entailed major social costs, and it was necessary to mitigate the effects of the adjustment, combat critical poverty and develop human resources in a strategic framework in which education played a prime role. In

that context, he also noted the importance of effective scientific and technological co-operation, an area in which there were serious weaknesses in Latin American institutions. The third dilemma was that of redefining the role of the State in the economy to make its efforts much more strategic and selective, and to discard the false dichotomy between State and market; the State should be responsible for ensuring that the market did not fall into monopolistic or oligopolistic practices that would end up destroying it. A fourth dilemma was that of designing a new external financing policy. Without a reduction in the debt and its service, the countries of the region would not be able to take charge of their own economic and social development, and he called for regional, concerted action aimed at bringing about a dialogue with the industrialized countries on the basis of firm, consistent proposals. The fifth and last dilemma was the challenge of Latin American integration, an area in which political leaders felt the most frustrated. He was convinced that the apparent failure of Latin American integration was nothing but the extension of ineffectual economic practices. The modernization of each economy would be the first real step towards integration, and real and solid foundations were presently being laid in pursuit of that goal. ECLAC was in a position to play a promotional role in regional integration, and the urgency of such integration should be the overriding guideline in formulating the new Latin American strategies; a Latin American economic community should be consolidated in the forthcoming decade.

59. The President of the Republic of Venezuela concluded his statement by calling for support for the tasks of changing and modernizing economies, competing internationally, consolidating democracy, developing better policies to promote social solidarity, advancing in science and technology and allowing no further retrogression in the Latin American integration process.

## B. AGENDA

60. At its 238th plenary meeting, the Commission adopted the following agenda:

1. Election of Officers

2. Adoption of the provisional agenda and organization of work of the twenty-third session

3. Reactivation of the economic and social development of the region:

   a) Changing production patterns with social equity

   b) The external debt and options for reducing its burden

4. Structure of the International Development Strategy for the 1990s: some considerations from the standpoint of Latin America and the Caribbean

5. Co-operation among developing countries and regions

6. Meetings of auxiliary bodies, and regional meetings sponsored by ECLAC in preparation for United Nations world conferences: conclusions and recommendations

7. Other activities of the ECLAC system since the twenty-second session, and programme of work of the Commission for the biennium 1992-1993:

   a) ECLAC

   b) Latin American Demographic Centre (CELADE)

   c) Latin American and Caribbean Institute for Economic and Social Planning (ILPES)

8. Calendar of conferences for the period 1990-1992

9. Some recent resolutions adopted by United Nations organs which require to be brought to the attention of the Commission

10. Meeting to Mark the Culmination of the International Drinking Water Supply and Sanitation Decade

11. Admission of Italy as a member of ECLAC

12. Admission of Puerto Rico as an associate member of ECLAC

13. Other business

14. Consideration and adoption of the report of the twenty-third session of ECLAC.

## C. SUMMARY OF DEBATES IN THE PLENARY MEETINGS

### TECHNICAL STAGE

61. Following the usual practice at ECLAC sessions, the work of the technical stage began at a plenary meeting (the 238th, held on 3 May) and continued in three committees and, at the present

session, in a specialized meeting; these forums were open to all delegations.*/

62. At the plenary meeting, the head of the Brazilian delegation, Mr. Antonio Gonçalves, speaking in his capacity as the representative of the country that had chaired the preceding session of the Commission, noted that the current session was particularly important because it was being held at the beginning of a new decade which everyone hoped would be more favourable for the countries of the region. With respect to the recent meeting of the Ad Hoc Committee of the Eighteenth Special Session of the General Assembly and the Declaration which had been adopted by consensus at that meeting, he observed that the Declaration defined the most important challenge of the 1990s as being the reactivation of economic growth and social development in developing countries.

63. From all indications, the twenty-third session of the Commission would generate a useful exchange of experiences and opinions concerning the external debt and the net transfer of resources to developed countries; to that end, the participants would have before them two major proposals which were being presented by ECLAC in the documents entitled Latin America and the Caribbean: Options to reduce the debt burden and Changing production patterns with social equity.

64. On behalf of the Government of Brazil he wished the twenty-third session of the Commission every success in its deliberations.

65. After thanking the representative of Brazil for his comments and expressing his appreciation to the Government of Venezuela for its cordial hospitality, the Executive Secretary addressed the basic issues to be examined at the session, noting that one of its goals was to give rise to a productive debate in the region on economic development which would clarify ideas and identify ways of putting the region back on the road to development. The institutional tradition of ECLAC had been one of adapting the interpretation of events and strategy proposals to changing world conditions. The world of today was different, and the lessons of the recent past had to be learned in order to ensure that the 1990s would not also be a lost decade. The region needed economies that were capable of adapting smoothly and efficiently to a changing world.

66. After having gone through a process of searching for concrete responses to the questions posed by development today, the ECLAC Secretariat was putting forward a set of proposals in the document entitled Changing production patterns with social equity which were based on equally concrete regional experiences. Those proposals'

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*/ See paras. 43-47 supra.

point of departure was a recognition of the fact that the region's economies had to adapt to circumstances which were radically different from those of the past and that it was essential to modernize the region's systems of production in such as way as to incorporate the objective of social equity as one of the intrinsic aspects of the transformation of its production patterns.

67. The fact that the proposal emphasized internal efforts did not mean that the fundamental role played by the external environment should be overlooked, and the Secretariat was therefore also presenting a concrete proposal aimed at achieving a reduction of the external debt burden within the framework of a future agenda of international co-operation.

68. In connection with the exercise currently under way within the United Nations with respect to the preparation of an international development strategy for the 1990s, the Secretariat had also prepared a document which should be considered in the light of the agreements reached at the special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries.

69. In conclusion, he said that the representatives of the countries had been called together in Caracas for the purpose of considering the priority agenda for regional development in the 1990s and beyond --which was both a great challenge and a major task. It was incumbent upon the Governments and the Secretariat to seek specific strategies and viable courses of action for putting the region back on the road to development and equity.

70. The Chairman of the technical stage of the meeting, Ambassador Miguel Rodríguez Mendoza, said that the Latin American and Caribbean countries had arrived at a historical crossroads upon emerging from a period which ECLAC had described as the "lost decade". The priority task was to rebuild the economies of the region in order to halt the seriously regressive trends in the product and income before the end of the century. By so doing, the region would be able to assert its right to play a part in the major changes that were occurring throughout the world.

71. The world economy had become much more complex as a result of the development of new technologies and the expansion of the frontiers of knowledge. International finance had become divorced from the real economy, and financial flows were increasingly being concentrated in the industrialized world.

72. Industrialized countries were forming large trading blocs. In the Latin American region, however, integration continued to be a will-o'-the-wisp because, although instruments for that purpose had been devised, commitments had not been acted upon effectively.

73. Integration was no longer an unattainable dream but rather an urgent necessity. The region must participate more fully and more effectively in the world economy. In the words of ECLAC, "changing production patterns with social equity" could not be done on an individual basis, and the countries should therefore undertake a carefully considered, united effort to make the 1990s the decade of Latin American integration.

74. A novel aspect of the current proposals of ECLAC was that they lay bare the false dichotomies of the past in the countries of the region. Indeed, there was no contradiction between vigorous outward-directed growth and efficient import substitution, nor was there any contradiction between a stronger and more strategic role of the State and an expansion of private enterprise or between the gradual opening of the region's economies and the consolidation of integration processes.

75. The Secretariat representative said that the activities of the technical stage would be continued in Committee I, Committee II, the Sessional Committee on Co-operation among Developing Countries and Regions and the Meeting to Mark the Culmination of the Drinking Water Supply and Sanitation Decade. The work of the four organs was carried out from 3 to 8 May and culminated in the adoption of four reports to be submitted to the plenary meeting. (These reports are contained in annexes 1, 2, 3 and 4 infra, respectively.)

MINISTERIAL STAGE

76. At the first working meeting of the ministerial stage, the Chairman of the technical stage of the session presented a report on the work accomplished, noting the cordiality and successful results of the work. Besides the ten draft resolutions submitted by the committees, additional resolutions had been proposed for direct consideration by the Plenary during the ministerial stage. The last-mentioned draft resolutions dealt with economic co-operation between the Caribbean countries and the other countries of the region, support for Haiti, the admission of Puerto Rico as an associate member of ECLAC, and the admission of Italy as a full member.

77. Committee I had discussed the topics of changing production patterns with social equity, the external debt and the international development strategy for the 1990s. Based on the agreements stemming from the debate, a draft resolution had been prepared entitled "Changing production patterns with social equity. The prime task of Latin American and Caribbean development in the 1990s". The resolution and the report, both adopted by consensus, would be submitted for the consideration of the Plenary.

78. Committee II had approved the report of activities for the period 1988-1989 and the draft programme of work of the ECLAC

system for the biennium 1992-1993. Note had also been taken of the relevant United Nations resolutions and decisions, and the calendar of conferences for the period 1990-1992 had been adopted. The Committee had also considered draft resolutions on the topics mentioned and on the work of ILPES and CELADE; the role of women in economic and social development in Latin America and the Caribbean; and activities of ECLAC in the fight against drug abuse and in the field of the environment. All the draft resolutions would be submitted together with the report on the work of the Committee for the consideration of the Plenary.

79. The Sessional Committee on Co-operation among Developing Countries and Regions had reviewed the activities carried out in that field by the Secretariat during the biennium 1988-1989. It had noted with satisfaction the progress made in the promotion and use of such co-operation as a way of supporting development. It had offered guidelines to the Secretariat for its actions in that regard during the forthcoming biennium, emphasizing in particular the need to continue supporting the national focal points for technical co-operation among developing countries (TCDC) and the bodies which promoted TCDC at the regional or subregional level. The Committee had also requested the Secretariat to continue its efforts to promote co-operation with countries of other developing regions and had adopted the draft resolution on technical co-operation among developing countries and regions.

80. The Meeting to Mark the Culmination of the Drinking Water Supply and Sanitation Decade had analysed the achievements of the countries of the region in implementing the Decade. It had identified a series of measures and actions to be undertaken which included institutional strengthening, adaptation of the management of companies in the sector, technological innovation and supplying water to the poorest sectors of the population.

81. On concluding its work the Meeting had also adopted the draft resolution on drinking water supply and sanitation to the year 2000.

82. The representative of FAO said that the document on change with equity which ECLAC had presented at the meeting was particularly timely, as it contained a proposal that included important aspects of the experience of industrialized countries which had successfully faced difficulties comparable to those now affecting countries of the region, as well as examples of successful concrete national experiences which illustrated the kind of action that could lead the countries back onto the road to development. He noted that in that sense ECLAC had made a new and undeniably important contribution to Latin American thinking with regard to a set of issues which were in line with its best traditions and covered both short- and long-term problems.

83. It was a matter of great satisfaction to FAO to note the extraordinary concurrence of views between the ECLAC proposal and the proposals contained in the study on agricultural and rural development potential in Latin America and the Caribbean prepared by FAO at the request of the governments of the region, which had given rise to a Plan of Action --now fully under way-- adopted by the member countries from the region at Recife in 1988. In addition to noting the shared elements of the two analyses and proposals, he said that they were the result of a long and fruitful association between the two organizations through the Joint ECLAC/FAO Agriculture Division. Finally, he mentioned some programme guidelines for their shared work in the coming decade which would make it possible to intensify or complement the research and analysis projects under way, to the undoubted benefit of the countries of the region.

84. The representative of the United States began by noting that the Latin American and Caribbean countries were undergoing a transition towards democracy and the establishment of economies based on market principles. The two continents of the hemisphere were developing a shared economic vision, increasingly recognizing the market as the mechanism through which the individual's economic choices were most effectively taken into account.

85. The internal changes in Latin America had profoundly changed the United States relationship with the region, moving towards a natural and easy relationship. Theories of Latin America's economic dependency and marginalization had been made irrelevant, as its people and governments had decided to take on a profound restructuring of their economic and social system, becoming responsible for its future.

86. In order to meet the ever more rapid changes in the universal market that would occur in the next decade, the economies of the region would need to be more flexible, efficient and outward-looking.

87. The necessary assets to meet the challenges of the 1990s already existed in Latin America and the Caribbean: natural resources; a labour force that was already urbanized, largely literate, mobile and increasingly organized; and the energy and imagination necessary for a dynamic, risk-taking private sector.

88. Growth and development came from policies which inspired the confidence of investors and lenders, domestic and foreign. Also, it was widely recognized that private initiative and private saving and investment were absolutely necessary. To achieve that, in recent years, many Latin American countries had begun to move towards more market-determined exchange rates, increased export orientation and better macroeconomic management. Governments in the region must continue to move forward to complete the reform process. It took time to build credibility and to restore the

confidence of potential investors. Perhaps most importantly, such policy reforms implied a fundamental change in the way people perceived the relationship with the State. The State should seek to promote a stable economic environment that rewarded initiative and provided proper incentives to work, save and invest, and where individual enterprise was encouraged. However, crucial to the success of that system was equality of opportunity.

89. Also, the new economic philosophy implied that countries were not merely passive victims of external circumstances.

90. Debt remained a problem. It was, however, more a symptom of a greater problem. Notable progress had been made in the past ten months in implementing the strengthened international debt strategy. Four countries in the region (Mexico, Costa Rica, Chile and Venezuela) plus the Philippines had taken advantage of reduction of their debt and debt servicing in the strategy.

91. In the trade area as well, there was considerable basis for optimism. The United States and other developed countries had contributed to enhanced opportunities for Latin America and the Caribbean by promoting stable economic growth in their domestic economies and by encouraging an expansion in world trade. The United States market was remarkably open and its policy was to go further, and to seek even greater openness, to create an ever-expanding global trading system based on clear and enforceable rules. The United States was committed to concluding successfully the Uruguay Round of trade talks by the December 1990 deadline.

92. She also mentioned measures taken by her country in regard to agricultural trade, market access and textiles, but said other countries must also liberalize their own markets.

93. Also, in the new areas of services, investment, and intellectual property, there was interest in creating rules of international fair play and a commitment to programmes which recognized the special needs of developing countries.

94. European integration presented Latin America and the Caribbean region with challenges and opportunities in terms of market access. The important issue was how Latin American governments and entrepreneurs would respond to those challenges.

95. There was a new consensus on the broad principles of development strategy, but governments would have to translate those principles into specific, practical, cost-effective programmes. ECLAC could serve as an important advisor, recommending domestic economic policies aimed at generating domestic investment and attracting foreign equity and voluntary lending. Another important function for ECLAC would be to tell the world the exciting story of change in Latin America and the Caribbean, showing that it was

possible to trade with the countries of the region and that they offered investment possibilities.

96. The representative of France, after thanking Venezuela for its hospitality, noted the constructive atmosphere and spirit of consensus which had characterized the technical stage of the session. He welcomed the progress which had been made by democracy throughout the region, and hoped that pacification would spread to those regions where there was still conflict. The Government of France viewed its relationship with Latin America and the Caribbean from a perspective of co-operation in consolidating democracy and peace, thus creating the conditions for harmonious development. In that context, he recalled that in 1988 the President of his country in his address to the United Nations General Assembly had expressed the need for an agreed international solution to the debt problem of the developing countries and noted that such an international strategy was being applied in a number of countries in the region. The preferential measures accorded in Toronto to some of the least developed debtor countries had been extended to include the case of Bolivia, and France thus regarded the Toronto agreements as applicable to all the most indebted countries. He reiterated his country's view that indebtedness should be treated on a country-by-country basis.

97. France felt that the documents presented by the Secretariat at the session were excellent and were characterized by a concern for balance and realism, and it especially supported the contents of the document Changing production patterns with social equity. ECLAC had been aware of its dual role, both conceptual and operational, and had offered guidelines and established action priorities.

98. In the area of regional co-operation and integration France's experience in participating in the European Economic Community (EEC) led it to hope that the countries of the region could find an appropriate framework for following a similar path. That hope formed the basis for his Government's technical co-operation efforts with ECLAC. He expressed his Government's desire to promote regional co-operation in the Caribbean through the departments of Martinique, Guadeloupe and French Guiana.

99. Finally, he reaffirmed France's willingness to participate in international co-operation to protect the environment and to combat drug trafficking. In both areas, a global approach to the problem was an essential element in solving it.

100. The representative of Bolivia thanked the ECLAC Secretariat for the documents submitted, which provided clarification on the basically negative characteristics of the past decade and suggested ideas concerning the paths to be taken, which should lead to the attainment of a form of development that was qualitatively better and put priority on the human being as the principal objective.

In recent years, the developing countries had made great efforts to stabilize and adjust their economies, to achieve an adequate, consistent macroeconomic management and to give new dimensions to the public sector by rebudgeting fiscal expenditure. Unfortunately the results achieved had fallen short of those expected owing in particular to the fact that the efforts made had not always been adequately matched in the developed countries. For that reason he supported the quest for durable solutions to problems such as protectionism, access to international financing and, above all, the external debt. It was necessary to solve those problems if the countries of the region were to be able to rekindle their economic growth and promote social equity.

101. Referring to the "coca economy", which in his country had been fueled by the negative social consequences of the crisis, and noting in particular the increase in informal activities, he said it was undeniable that coca generated employment, income and foreign currency. His Government had recently announced a National Alternative Development Strategy aimed at replacing the production of coca with other crops while at the same time promoting the economic and social development of the areas where it was applied. The eradication of 45 000 hectares of coca cultivation in six years represented an annual loss of US$386 million in products and US$196 million in foreign currency and the elimination of 175 000 jobs. For the new strategy to succeed, the Government of Bolivia needed external resources averaging US$313 million annually over a period of six years; the only way coca production could be replaced by an alternative development economy was through the receipt of those resources. He ended his statement by encouraging the ECLAC Secretariat to continue working along the lines laid down in the documents submitted to the current session.

102. The representative of UNDP noted, firstly, that on the threshold of the 1990s the countries of Latin America and the Caribbean were seeking a balanced and just form of economic and social development. To procure that new model of development, the ECLAC Secretariat had put forward a document replete with pertinent suggestions that was bound to play a part in stimulating contemporary thought in the region. Thus, the institution was demonstrating an effort to renew itself in order to continue in its traditionally recognized role as a generator of ideas.

103. Secondly, he drew attention to the fact that UNDP would launch a "Report on Human Development" at the end of May 1990, which would seek to prevent development from being measured solely in terms of growth of the product without reference to its social repercussions. He then referred to the tasks undertaken by UNDP, in collaboration with the Governments and relevant agencies, in the fields of critical poverty, formulation of strategies to pay the so-called "social debt", and the environment and development. The time had come for the definitive economic, political and social integration of Latin America and the Caribbean. In that context,

he drew attention to "the cost of not integrating Latin America", recalling the impressive report on "the cost of not integrating Europe" published by the EEC at the time when Europe was dealing with the same issue.

104. The representative of UNICEF said that inherent in the ECLAC proposal for changing production patterns with social equity was the requirement that priority attention should be paid to children and youth, the region's chief resource. In order to create the conditions for sustained development with a human face, it was necessary to give priority to the satisfaction of the basic needs of children since the majority of the children in the region were currently poor and the majority of the poor were children. In that respect, he recognized that a consensus was being forged to establish, as part of the new international development strategy, specific goals in relation to children in the area of the reduction of maternal and infant mortality, as well as of the proportions of children with low birth weights, the elimination of female illiteracy, pre-school care for poor children, reduction in the levels of malnutrition and universal access to drinking water and basic sanitation. Finally, as a reflection of that growing consensus, he mentioned the proposed convention on the rights of the child, the world conference on education for all and the forthcoming first world summit on children.

105. The representative of the World Intellectual Property Organization (WIPO) noted the interest awakened in the region by the ideas presented in the documents submitted by ECLAC to the current session and pointed out that intellectual property was an important component of the technological development strategy proposed by ECLAC. In the area of patents, intellectual property was a factor which promoted innovation. Secondly, he referred to the links established between the State and the creative agents of society (authors, composers and inventors) when an efficient system governing intellectual property was set up to stimulate innovation and promote investment. Thirdly, intellectual property constituted an element apt to encourage integration, as, for example, in the case of Europe in general and some experiences in the region, including the agreement on trademarks entered into by the Central American countries, the harmonization of technical/administrative criteria for intellectual property achieved by Argentina, Chile, Uruguay and Paraguay, and the Patent Information and Documentation Unit (PIDU) established in Port of Spain by the CARICOM countries within the framework of the ECLAC Caribbean Documentation Centre. WIPO had been working in the three areas mentioned in an attempt to give impetus to the technological development of the countries of the region.

106. The representative of the Commission of the European Communities opened his statement by drawing attention to the accelerated dynamics of change in the European Community, which foreshadowed, on the basis of present challenges, the community

process that was scheduled to be launched in 1992. Latin America, too, was living in a time of challenges, and indeed it might be wondered how those challenges would fit in with the current changes in the Community. A hint of a reply could be found in the substantial agreement with regard to Latin American development problems and the context of the changing international economy in which they existed. Moreover, there was a notable change in attitudes and perceptions on the part of those responsible for formulating Latin American policy. The analytical and prescriptive document prepared by the Secretariat avoided oversimplification by dealing with both the fundamental role of the external environment and that of domestic conditions in the performance of the economies of the region. That was why it was important for the region to make an effort to reverse the effects of the crisis of the 1980s in the light of the new realism that prevailed. The document put forward, as a key issue, the possibility of simultaneously achieving growth and social equity, a topic that was of special importance to the European Commission.

107. Trade and co-operation were the two cornerstones of relations between the Community and Latin America and the Caribbean. In respect of trade, there had been a considerable decline in the region's exports to international and Community markets, as UNCTAD data revealed. There had been an especially severe drop in the proportion of manufactures exported by Latin America in comparison to the impressive thrust in the other direction by the newly industrializing countries of Asia, including the members of ASEAN. That uneven trend did not have much to do with Community policy, and he questioned whether alleged protectionism had played a role in the poor performance of Latin American exports. In contrast, he noted the critical part played by external economic policy, especially trade policy in respect of tariffs and the types of real protection that had prevailed in the 1960s and 1970s. He drew attention to the role that international co-operation could and should play in strengthening the international position of the Latin American and Caribbean production system, which the European Commission and ECLAC agreed should be a priority issue. The European Commission's efforts to help improve the economic performance of the countries of the region were oriented by the relevant guidelines adopted by the Council of Ministers in June 1987. Under those guidelines, the Commission had just approved, during the past week, a communiqué to the Council of Ministers and the European Parliament on the essential outlines of a policy for co-operation with the developing countries of Latin America and Asia.

108. He noted, lastly, that the convergence of ECLAC and European Community proposals on changing production patterns extended to a number of recommendations contained in the Secretariat document, which included the de-ideologizing of the subject of public sector intervention; closer relations between innovative agents; the remaking of intersectoral linkages; transformation of the financial

system; promotion of the creation of enterprises; efficiency and decentralization of public management; defence of the environment; and congruence between international insertion and the liberalization of interregional trade. It was important to build a sound entrepreneurial foundation in order to raise the competitiveness of enterprises and improve the transfer of technology.

109. Concluding his statement, he underlined that the European Commission was aware that, in the framework of a European Community increasingly courted on the international scene, the assumption of its responsibilities in response to changes taking place in the East should not lead to a sacrifice of its support for changes taking place in the West. A more integrated, modern and cohesive Latin America would be an essential partner for the future Community. He called for the recommendations of ECLAC to be implemented in the political and economic practice of the Governments of the region.

110. The representative of Mexico began by expressing satisfaction at being able to participate in the current session, which was strengthening the spirit of brotherhood in Latin America and the Caribbean. He reviewed some of the chief aspects of the history of the development of his country, drawing attention to its achievements and limitations and noting that the latter were reflected primarily in the structure of production and in the persistence of social backwardness. In order to cope with that situation, the Administration of President Carlos Salinas de Gortari had proposed the implementation of the National Development Plan for 1989-1994, the main objectives of which were to defend the country's sovereignty and interests, to expand democracy, to return to growth with stable prices and to raise the population's standard of living. That development plan was making it possible to proceed with changing production patterns with social equity in the manner proposed in the document submitted by the ECLAC Secretariat. Within the framework of its plan, the Government of Mexico had made substantial progress in recent years, which was reflected in such achievements as the reduction in the rate of inflation and in the public sector deficit and in the setting in motion of a sweeping process of change in the structure of production and in the size and functions of the public sector.

111. Such changes, which were being carried out in every country in the region in conformity with their political, economic and social circumstances, had to be supported by international co-operation. That being the case, it was not very satisfactory to note that the efforts expended by countries were still being made in an unfavourable and inequitable international economic context. High interest rates persisted, the countries' terms of trade were imposed on them from outside and the prices of some of the commodities exported by the region had been gradually falling. In that context, Latin America was called upon to strengthen the

process of integration --a process which was gathering force in all the regions of the world. Noting the formation and consolidation of blocs, which increased the power of their members, he said that Latin America could not afford to be left behind in that regard. That was why it was necessary to devise a far-reaching regional plan for jointly identifying the most appropriate strategies. In that connection he expressed support, inter alia, for the elimination of tariff and non-tariff barriers among the countries of the region, the facilitation of transport and communications, and the promotion of a gradual liberalization of the region's trade with the rest of the world in order to develop its exportable supply.

112. He ended his statement by noting that the analyses and recommendations made by ECLAC were bound to play a decisive role in the efforts made to cope with the new challenges facing Latin America and the Caribbean.

113. The representative of Suriname outlined the most important changes in the world economy, which was moving towards different multipolar economic systems where long-standing barriers were disappearing. He went on to discuss the macroeconomic problems facing the developing countries and the need for concrete adjustment programmes designed to mitigate their negative consequences. He underscored that the concept of equity was the overriding issue; that objective could be achieved with a strategy for building a consensus based on consultation mechanisms, dialogue, negotiations and compliance with agreements, as well as common insights and approaches regarding the most pressing needs.

114. The goals of sustainable development and the protection and enhancement of the global environment were concerns at both the national and international levels. Finally, he mentioned the urgency of strengthening regional and subregional institutions, in particular the CDCC.

115. The representative of Ecuador noted the widespread nature of the crisis which was affecting the developing world, particularly the peoples of Latin America and the Caribbean. In the 1980s, the structural constraints on the economies of the region were compounded by international economic instability, the debt crisis and external pressures, all of which undermined economic policy. The efforts made by the region had been insufficient to correct those economic distortions and had incurred high social costs.

116. The future challenge to Latin America and the Caribbean was to redirect the course of their economic development in the light of recent international events and to overcome structural constraints. In that context, the proposals made by the ECLAC Secretariat and the stimulating discussions at the meeting represented a high level of economic and social thought.

117. The proposed strategy should be oriented, in domestic terms, towards a new basis of production that would have an impact on the distribution of income, and, in external terms, towards a new definition of international relations. To carry out that transformation, fiscal and monetary reform would be necessary, together with a strengthening of international co-operation, especially in the face of the region's external debt problem.

118. His delegation fully supported the view that integration should be regarded as fundamental in achieving changes in production patterns with social equity. It was therefore necessary to strengthen the various commitments undertaken by the countries of the region, such as the Galapagos Declaration: Andean Agreement on Peace, Security and Co-operation, signed by the Presidents of the Andean Group in November 1989.

119. With regard to the social aspects of the proposal, his delegation was concerned, firstly about the State's role and who would benefit from greater social equity, and, secondly, about the fact that the quest for equity involved redefining the State --not only re-scaling it but also giving priority attention to planning, promoting grass-roots organization and reorienting the participation of political parties. In view of the magnitude of the social problem, a special effort must be made to help the most vulnerable segments of the population so as to mitigate the effects of past economic adjustments.

120. The delegation of Ecuador commended the timeliness of the document on the external debt, for it would be a valuable contribution to the forthcoming SELA regional conference, which would establish a regional position on the subject. His delegation had identified points of agreement with the strategy contained in the document for finding a permanent solution to the problem. That strategy was aimed at reducing the debt and its service in a way that was consistent with economic growth, the balance-of-payments situation and the objectives of macroeconomic policy, and at guaranteeing the country's obligations abroad, with the support of multilateral institutions, thereby facilitating its reincorporation into international voluntary credit markets.

121. With respect to the efforts of ECLAC to contribute to the international development strategy, he noted that in international economic relations, the GATT agreements on the standstill and rollback of protectionism and the revitalization of the Generalized System of Preferences (GSP) should be respected; the decapitalization of the region should be reversed and the processes of integration and regional co-operation with other developing countries should be encouraged. ECLAC should also endeavour to explore further the main elements of social development.

122. Lastly, the issue of the environment should remain closely related to development, and the self-determination of countries in defining their policies in that regard should be respected.

123. The representative of Jamaica welcomed the admission of Italy to full membership of the Commission and of Puerto Rico as an associate member.

124. In discussing the problems facing the region, he observed that Jamaica was one of the 17 most indebted countries and that, although rescheduling had provided a measure of relief, much of Jamaica's debt was owed to multilateral financial institutions whose present policies did not allow the country to refinance or restructure its loans.

125. Although there had recently been some heartening developments in connection with the debt issue, notably the Brady Plan and the Toronto Prescription of 1988, they nonetheless fell short of what was required to restore the developing countries to a sustainable growth path. The changes taking place in the global economy would undoubtedly pose challenges and present opportunities for the developing world which the region could meet and take advantage of only if real solutions were found to the crippling debt problem and a favourable international economic environment were created.

126. Turning to the main agenda items, particularly the document Changing production patterns with social equity, he said that although developing countries needed to transform their production structures and strive towards a higher degree of intra-regional co-operation, at the same time they needed the support of the industrialized countries. Jamaica had been participating in the discussions on the preparation of the third international development strategy and supported a new IDS that was realistic and implementable. The ultimate objective of both the strategy and efforts to change production patterns was to promote the economic and social development of developing countries. His country recognized the importance of conserving the quality and increasing the potential use of the environment and welcomed ECLAC's current involvement in that area.

127. Jamaica was fully committed to South-South co-operation and had made commitments in several declarations and plans of action relating to co-operation among developing countries. What now needed to be done was to translate all the plans into action based on recognition of the fact that the countries of the region were interdependent and therefore needed to know more about each other's capabilities and potentials in the various fields. The ECLAC Secretariat could assist by organizing practical seminars involving the private sector, which could help to foster South-South co-operation.

128. The representative of Cuba began by recalling the difficulties which the region had had to face in recent years as a result of the adjustment processes imposed upon it, the constant pressure of the debt service, and the virtual absence of access to fresh external financing, all of which, in sum, had meant that the regional per capita product was today only the same as that of 1978, while the financial resources transferred abroad by the region in 1989 came to US$25 billion.

129. He went on to describe and condemn a number of actions by the United States, in particular the invasion of Panama, the naval blockade of Colombia, the aggression committed against a merchant ship with a Cuban crew in international waters, and the transmission of a television signal to Cuba in contravention of international regulations. All of those actions, he said, were related to a climate of military threats against Cuba.

130. He also stated that the delegate of Panama present in the meeting was not a legitimate representative of that nation.

131. The countries of the region should band together in order to attain sufficient political will and a great enough spirit of solidarity, justice and equity to channel their efforts towards development through the indispensable international co-operation.

132. After recalling Cuba's achievements over the last 30 years in such important areas as health, education, agriculture, biotechnology, agricultural technology, genetic engineering, chemicals and specialized branches of industry, he highlighted the efforts his country was making in the field of international co-operation with other Third World countries.

133. The debt issue was only part of a more complex problem linked to the international relations within which Latin America operated, and those relations served the interests of the major capitalist industrialized countries. Currency fluctuations tended to do more harm and have more serious destabilizing effects on the weak Latin American economies, which already faced difficulties with their primary products and the competition of the subsidized agricultural sectors of the developed countries. Moreover, the metals and manufactures produced by the region were confronted with the rich countries' network of tariff and non-tariff barriers, and access to advanced technologies was subordinated to the corporate interests of the transnationals and to technical agreements among the most powerful nations.

134. The damage done to resources for development and the standard of living in Latin America by that form of international relations could be discerned from the documents presented by ECLAC and furnished proof that the alleged solutions provided for in the so-called Brady Plan were totally inadequate for reversing the retrogressive trend in Latin America.

135. The document Changing production patterns with social equity was a serious effort to re-order ECLAC's thinking; his delegation shared the view expressed throughout the document that achieving changes in production patterns with equity entailed satisfying the basic needs of the population rather than just seeking greater competitiveness at the international level, although that objective too was absolutely necessary. If the basic purpose were only to achieve a better international position for the economies of the region, it would be in contradiction with the primary objective of equity, which should be attained through lasting solutions in the fields of education, health and other aspects of social development.

136. In conclusion, he mentioned the topic of integration, noting that political pronouncements had far exceeded the actual advances made in that field. However, the prospects for the Europe of 1992, the changes in Eastern Europe, the integration proposals of North America and Japan's links with the Asian countries underscored very clearly the now unavoidable need for the countries of the region to make real progress towards regional and subregional integration.

137. The representative of Panama, in exercise of his right of reply with regard to a number of statements made by the representative of Cuba, said that the Government of his country was currently one of the most representative in Latin America, since it had been elected by more than 75% of the votes cast in a free election. The Panamanian people had thus declared their opposition to "narcodictatorship". The Government of Panama was in a position to assure the international community of its compliance with all its international obligations.

138. The representative of the United States, in exercise of his right of reply in respect of the statements made by the representative of Cuba, said that the TV Martí broadcasts, apart from being consistent with United States policies on freedom of information, did not interfere with Cuban transmissions. The United States had never claimed that the Brady Plan was a panacea for all debt problems, although it did reflect a desire to reduce the debt. Lastly, he categorically rejected the view of the representative of Cuba that the United States was planning to invade his country.

139. The representative of Cuba reaffirmed his statements that his country had historically been a victim of aggression by the United States.

140. The representative of Chile said the basic objective of his Government was to rebuild democracy in his country. That goal was to be achieved through the democratization of its public institutions, the clarification of the problem of human rights, the improvement of the living conditions of the poorest sectors, and simultaneous progress in the modernization of society and of production. His Government also placed priority on the

reintegration of Chile into the international community and on the need to forge links of solidarity and co-operation among all the countries in the region.

141. With regard to the economic strategy, an attempt was being made to show that democracy was compatible with efficiency and that growth was compatible with social justice. The three pillars of the Chilean strategy were to guarantee macroeconomic stability through the application of fiscal, financial and exchange policies which would forestall both excessive inflation and an anti-export bias; to re-establish social justice by reducing poverty and improving relations between workers and employers; and to develop production capacity, with special attention to trade-related sectors while promoting competitiveness and compensating for market defects. The Chilean policy of modernization provided for a deliberate, systematic incorporation of technical progress into national production processes, an effort which was to include the creation of a technological development fund, incentives for centres of productivity and resources for formulating preinvestment projects; manpower training and retraining; and increased participation by enterprises in international markets.

142. He also laid stress on the high quality and solidity of the ECLAC documents on the external debt and changing production patterns with social equity. The same forcefulness which should be employed to create a less restrictive climate had to be applied in taking responsibility for creating suitable internal conditions and executing appropriate domestic policies instead of merely denouncing international obstacles to development. Hence he fully endorsed the view expressed in the document on changing production patterns with social equity that development called for a long-term effort in many areas. Turning to another matter, he officially confirmed the offer of Santiago, Chile, as the site of the twenty-fourth session of ECLAC, to be held in 1992.

143. He closed his statement by noting the contribution which greater political homogeneity, compatible economic policies, macroeconomic stability and the perception of well-defined, real and specific benefits would make to regional integration. What would be needed was to tear down barriers and to expand and regionalize markets rather than to design ambitious complementarity programmes.

144. The representative of Spain said that ECLAC was an irreplaceable forum for dialogue and the analysis of the problems of and prospects for development in Latin America and the Caribbean. He then dealt in turn with the issues of the external debt, the changes in the countries of Central and Eastern Europe, co-operation between Spain and Latin America, and the growing importance of the United Nations as a forum in which it was possible to generate the political consensus necessary to resolve international economic problems.

145. In relation to the debt, he drew attention to the seriousness of the outward transfer of financial resources from the region. It was necessary to take account of the capacity of the debtor countries to pay when determining debt service, and Governments and multilateral organizations had to contribute the financing required to ensure the growth of the indebted countries. The Government of Spain was prepared to reflect those concepts in its specific relations with the countries of the region, and he cited examples to illustrate that stance.

146. On the question of the process of political and economic reform in the countries of Central and Eastern Europe, he was convinced that, in addition to being of historical importance, that process would have positive effects on international trade and on commercial exchanges with the developing countries. He drew attention to the demonstration effect of those changes and reiterated that Spain's support for that process would in no way be detrimental to its co-operation with Ibero-America. His Government firmly intended to increase substantially its co-operation with the Ibero-American countries in connection with the celebration of the Fifth Centennial, and to promote greater co-operation between the European Community and Latin America and the Caribbean.

147. Finally, he noted that the idea of globalization and world economic interdependence, along with its corollary of global economic co-operation, pointed up the increasingly important role which the United Nations was called upon to play as a forum capable of generating political consensus to tackle the major international issues of debt, balanced economic development and the environment. In that connection, he drew special attention to the consensus that had just been reached at the special session of the United Nations General Assembly which had analysed the challenges of and prospects for international co-operation in the 1990s.

148. The representative of the Soviet Union expressed his regard for ECLAC, which was one of the effective international forums of the United Nations system. Just as it had done in the past, the Soviet Union intended to continue making its contribution to increasing the efficiency and prestige of activities that were so important for the region.

149. The current session was being held at a time of profound changes in the international situation. The first steps had been taken towards disarmament and the settlement of regional conflicts by converting dialogue into the predominant form of international communication. His country intended to intensify co-operation with all the countries of the region in the search for solutions to global problems, using the mechanisms of the United Nations.

150. The Soviet Union shared the concern of the region over its economic difficulties. The crisis of the 1980s was related to the

uncertain prospects in the international environment, the external debt crises, and rising social tensions, particularly as a result of the increase in abject poverty. In that regard, he agreed with the approach of ECLAC, which held that those difficulties could be overcome by changing production patterns with social equity.

151. The Soviet Union was contributing to those efforts by providing assistance to the developing countries, even in the face of the difficulties currently being experienced by its own economy with the organizational and structural reordering that was being undertaken. His country had taken steps to relieve the debt burden of the developing countries by more than 14 billion rubles. The intensification of multilateral economic interaction was the way to render more effective the efforts that were being made to overcome the crisis in the region and to solve the problems of the debt, the illegal production and trafficking of narcotic drugs, terrorism and environmental deterioration.

152. The strengthening of economic and commercial co-operation between the Soviet Union and the countries of Latin America and the Caribbean was linked to efficient modernization and integration into the world economy. In that regard the Soviet Union was undertaking far-reaching economic reforms and was stimulating the free productive activity of its citizens and enterprises.

153. The active participation of the Soviet Union and other Eastern European countries in the world economy would contribute to the latter's development and would benefit all members of the international community. He deemed as positive the results of the recent meeting of the foreign ministers of the member countries of the Rio Group and the countries of Eastern Europe, at which it had been noted that the establishment of pan-European structures was not in conflict with the strengthening of ties with the countries of Latin America.

154. In conclusion, he expressed his satisfaction at the launching of the programme of co-operation between the Soviet Union and ECLAC.

155. The representative of the Federal Republic of Germany noted the efficient way in which the session had been organized, the high level of the documents submitted and the pragmatic, constructive spirit which had prevailed in the deliberations. With regard to the economic situation of the region, he referred to the existence of democratically elected Governments in Central and South America and to the positive effects which the process of integration under way in Germany and the rest of Europe and the end of the arms race would have on the region. He also mentioned the interdependence which had grown out of the existence of global problems, the need for North-South co-operation and the decision his Government had taken to increase its development aid.

156. The overall conditions underlying the international scenario justified a certain amount of optimism regarding the future of the region if viewed in the light of the long period of sustained growth of the industrialized countries, the growth of trade, the settlement of regional conflicts, the broader consensus between East and West concerning economic policies, the spirit of openness to democracy and the creditors' decision to apply new strategies to overcome the debt problem. He called for joint action to take advantage of the opportunities those developments presented, which, on the part of the countries of the region, would require continuing their adjustment programmes without neglecting social justice; encouraging private initiatives and improving their infrastructure and public services; diversifying their exports, while attaching particular importance to the drug problem; promoting self-sustained development, bearing in mind that the 1990s would be a decade of environmental and development issues; and combatting poverty, which would also entail considering ways of controlling population growth. As for the industrialized countries, their task would be to bring down the high level of real interest rates and to reduce protectionist tendencies and external imbalances among industrialized countries.

157. He mentioned the need to open up markets and noted how important it was for the Uruguay Round to produce results for the developing countries, explaining that the concern that Europe might become a commercial powerhouse in 1992 was without foundation since the internal market and multilateralism were not in opposition to one another. The Government of the Federal Republic of Germany stood ready to contribute to joint efforts to improve the debt strategy.

158. He noted the excellent relationship which existed between his country and the countries of the region, pointing out that the Federal Republic of Germany was the region's most important European trading partner. His country was willing to purchase even more goods from the region, and offered opportunities similar to those available on the North American market; moreover, the region was also a target area for German investments abroad.

159. In closing his statement, he mentioned his country's support for South-South co-operation, particularly with regard to Central America, the Andean Pact, the Caribbean countries and regional groupings, such as ECLAC. His Government supported the ECLAC programme of work and forward-looking projects in the field of the environment and protection of natural resources and had laid the foundations for an intensification of its technical co-operation.

160. The Permanent Secretary of SELA noted that the great economic and social challenges which the countries of Latin America and the Caribbean had to face were well known. It was essential for the region to mobilize the greatest possible internal efforts in the fields of production and finance and to act in a concerted manner

at the international level if it were to return to satisfactory growth rates of not less than 5% or 6% per year. Now more than ever, it was urgently necessary for the region to present a united front in the face of a generally unfavourable international environment characterized by slow growth in the industrialized centres; high rates of interest; heavy transfers of financial resources from Latin America to the developed countries; and the unrelenting deterioration of the terms of trade.

161. He then emphasized the need to find an integral solution to the external debt problem, which was the main factor limiting the region's ability to recover its growth capacity. In that connection, he described the main elements of the bases for a Latin American and Caribbean proposal on the external debt formulated by the member States of SELA, which would be discussed at the ministerial-level Regional Conference on the External Debt to be held from 18 to 22 June 1990. He stressed that the region must substantially reduce its outward transfer of financial resources in the form of debt service so that it could use those resources to finance investment projects in economic and social infrastructure and promote the modernization of the production apparatus.

162. The region must also work in a co-ordinated and supportive way in other fields of action. In that respect, he referred to the Uruguay Round of the GATT multilateral trade negotiations, the regional integration and co-operation process, and the pressing need to speed up the Latin American industrialization process. With regard to the latter issue, after congratulating the ECLAC Secretariat on its contribution concerning changing production patterns with social equity, he emphasized the importance of the Regional Conference on Industrialization which was being organized by SELA in active collaboration with ECLAC, UNIDO and IDB.

163. Finally, the Permanent Secretary of SELA noted that the organization worked in a co-ordinated and harmonious manner with all the other regional institutions. In that respect, in the future it would be extremely important to continue strengthening the co-ordination of the regional actions carried out by the Latin American and Caribbean community.

164. The representative of Peru expressed his agreement with the words of the Permanent Secretary of SELA, who had spoken immediately before him, thanked the Venezuelan Government for its hospitality, and praised the work of the ECLAC Secretariat, especially the documentation presented at the session.

165. He emphasized the importance of the changes which were taking place in the international system and which were leading to a new alignment of forces and the exercise of new forms of power. The growing economic globalization and interdependence were combined with a new era of détente among the superpowers. New economic

blocs were emerging, European integration was being consolidated, and new markets were being developed.

166. A prominent feature within that framework, however, was the persistence of the traditional imbalances of the international system, whereby the relations among the developed countries were increasingly close, whereas the developing countries were on the sidelines of that process. Latin America's political influence and its effective participation in the world economy continued to decline.

167. It was therefore necessary to strengthen regional integration, co-operation and complementarity in order to build up a bloc based on the best aspects of the experience in that field. The region should formulate a concerted and politically co-ordinated position by means of consultations based on proposals prepared by ECLAC which visualized the role of Latin America and the Caribbean vis-à-vis the present circumstances and offered real options for regional co-operation and integration.

168. He also emphasized that the 1980s, although "lost" from the point of view of economic development, had been encouraging from the political point of view because of the recovery of democracy. That recovery should be backed up by sustained economic development which would permit an improvement in the living conditions of the population.

169. The representative of Canada referred to the profound changes which were taking place throughout Latin America and the Caribbean: the historic transition to democracy, the opening of the region's economies, and the extraordinary realism and courage with which the Governments were tackling serious economic problems, among them the debt. He also noted with pleasure the reduction of tensions in Central America. The Canadian long-term strategy for Latin America and the Caribbean was based on the proposition that the nations of the region had a major influence of global importance on such issues as drugs, the environment, human rights, debt, trade and the dialogue between developed and developing countries.

170. Regarding the proposals for changing production patterns with social equity, he supported the recommendation that greater reliance should be placed on open, export-oriented production structures, with appropriate economic policies as a pre-requisite of investment. He also pointed out the need for enhanced opportunities, over the medium term, for increases in productive employment and for facilitating access of the poor to credit, health, education and other social services, since the process of adjustment could be painful for vulnerable social groups. In that regard, he mentioned the discussions which had taken place at the annual meeting of governors of the Inter-American Development Bank in Montreal.

171. He recognized the fact that the debt problem has created political, economic and social difficulties for the countries of the region, and noted with interest the views contained in the document prepared by the Secretariat on the subject. He said that the Brady Plan was a positive development and enumerated the different steps taken by Canada in support of highly indebted countries. He also welcomed the decision of the Interim Committee of the IMF and the World Bank to increase fungibility and front loading, which were among the proposals contained in the Secretariat's document. He also stressed the validity of the case-by-case approach and observed that the creation of a new debt facility did not appear justified at the present time.

172. He stated Canada's position on sustainable development, stressing the importance of the 1992 United Nations Conference on Environment and Development, recognizing, in principle, the need to provide funding for environmental purposes and to facilitate relevant technology transfers through the development of appropriate modalities. With respect to the international development strategy, he stressed the importance of the declaration adopted at the United Nations special session, which reflected a growing convergence of views on economic policy. The challenge represented by the profound changes in the world economy had to be faced by all countries through a frank and constructive dialogue and increased co-operation.

173. The representative of the European Community said that the major changes currently taking place were creating a propitious occasion for offering innovative ideas and new perspectives on the future. The documents prepared by the ECLAC Secretariat had made a significant contribution in that direction, especially the document on changing production patterns with social equity. The members of the European Community regarded the statements made during the technical stage of the twenty-third session as very valuable. With few exceptions, they demonstrated an open approach to new solutions, a willingness to avoid ideological confrontations and a forward-looking perspective, thereby providing a good basis for confronting the coming decade.

174. He also welcomed the declaration adopted by the recent special session of the General Assembly on the problems of development, and noted that it coincided with a number of aspects of the discussion at the ECLAC session which were oriented towards giving greater attention to domestic efforts, reducing the role of the State and recognizing that economic recovery did not depend on a favourable external environment alone. In relation to the last-mentioned topic, he said that the European Community was willing to assist Latin America and the Caribbean in the development process, and that the changes in the European Community scheduled to occur in 1992 would open up opportunities for the countries of the region. Lastly, he noted that the present ECLAC session had made

substantial progress in making the most of the dramatic economic and political changes occurring.

175. The President of the Inter-American Development Bank opened his statement by drawing attention to the dedication to service of ECLAC and its pioneer contributions to Latin American thinking and action from its inception to the present time.

176. The great changes currently taking place would have to lead to a review of ideas on development. With regard to the theory of development, he noted the importance of the perspectives contributed by ECLAC in its early days, when it had dealt with topics such as the role of external forces, technology, industrialization, expansion of markets and the incorporation of social and political variables into the thinking on development; that stage should indeed be regarded with great respect. He described the process of learning about development as an ascending spiral, within which ECLAC was currently responding to new situations; the present concern about Latin America and its future corresponded especially to the crises experienced in the 1980s rather than to a historical pattern.

177. Three major legacies from the past also represented challenges for the future, namely, economic inefficiency, mainly but not exclusively stemming from public sector excesses; instability, associated with prolonged and intractable inflationary processes; and inequity, which was revealed in pockets of critical poverty and unemployment. All that had shaped the process of incomplete modernization that was characteristic of the region.

178. A number of conclusions could be drawn from a review of the subject of development. The first was a certain intellectual humility about the topic, which had turned out to be more complex than at first thought. The second was the need to learn about the experiences of the world, with due attention to the specific characteristics of the region. The third was a quest for the overall balances that were necessary to the process, with emphasis on the timeliness and sequence of measures rather than worrying about polarities such as the State versus the private sector, or free trade versus protectionism. Account would also have to be taken of new phenomena that influenced the development scenario, such as ongoing adjustment programmes, which were serious, responsible and pragmatic. Consideration should also be given to recent experiences such as those of political democratization, the greater awareness of macroeconomic balances and the market's role in allocating resources.

179. Five major arenas could be identified for future action. The first, and the most serious for many countries, was the debt problem. The Brady Plan, in his view, had been an important step forward towards a clear awareness of the debt/development ratio. The second was economic efficiency, which involved changing

production patterns and the essential development of human resources and technology. Thirdly, there was a need for greater social efficiency, since, as indicated by ECLAC figures, social deterioration had reached alarming levels, and more needed to be done with the same amount of resources, i.e., the quality of social spending had to be improved. In that connection, IDB had re-evaluated the contribution of the grass-roots and informal sectors to the development process, and the Bank was therefore promoting a major programme in support of small and medium-sized enterprises. The fourth action front had to do with the re-insertion of Latin America into the world, which would mean taking maximum advantage of opportunities for interdependence among countries, reinforcing relations with new actors, alliances and blocs, helping to make international trade more transparent and promoting a new form of regional economic integration to facilitate competitiveness, recognizing the special conditions of each subregion.

180. The fifth action front was that of financing, a topic of special importance to the Bank. The task was a wide-ranging one, as could be seen by looking at the figures on investment and the transfer of resources. In the area of financing, the challenge of the 1990s would be domestic saving, which had been maintained in the region except in the public sector. External saving could only play an auxiliary role.

181. From that standpoint, IDB had recently increased its capital endowment from US$36 billion to US$60 billion, which had allowed it to take on new responsibilities for the next four years, allocating a total of US$22 billion to the region. That would make it possible to support economic reforms, develop the Bank's role as a catalyst in working with bilateral sources (Japan, Spain and other countries) and continue its commitments to the formulation of Latin American thinking as represented by ECLAC and other centres in the region.

182. He concluded by underlining the importance of the challenge of democratic consolidation via a solid commitment on the part of society, in the face of the inevitable changes and disturbances that would continue to affect Latin American countries, and of the prominent role which the multilateral system, organized around the United Nations and its agencies, would be called upon to play.

183. The representative of UNCTAD noted the traditionally close ties of co-operation between UNCTAD and ECLAC. The proposal for changing production patterns with social equity was opportune, coming as it did at a time when in the majority of the region's economies it was necessary to implement short-term emergency measures in attempts to resolve economic crises. The long-term solution to the crisis, however, would require strategies which, while taking into account the international situation, placed emphasis on internal efforts and greater productivity through the

application of new technologies. UNCTAD was in a position to facilitate the acquisition of those new technologies as well as the corresponding training of human resources.

184. In the view of UNCTAD, while the Brady Plan represented a significant step forward, it alone could not resolve the problem of the debt. Serious international decisions, together with fresh resources from the multilateral financing organizations, were required in order to reduce the debt burden by 30%. The pattern of international trade aggravated the debt problem by limiting the possibilities of the debtor countries to earn the income needed to service their debt and to invest in productive activities. Commodity export earnings had fallen to unprecedented levels over the past two years. If the international community did not take drastic measures to reverse that trend, or did not make the Integrated Programme on Commodities and the Common Fund effective through substantial financial support, many producer countries would be a step away from the greatest economic and social catastrophe in their history.

185. If the developing countries did not adopt joint positions in defense of their interests, the Uruguay Round could accentuate their dependency on the countries of the North. UNCTAD, ECLAC, and SELA, with the assistance of UNDP, were doing everything possible to assist the countries of the region in those negotiations.

186. The international development strategy, for its part, was another appropriate forum for dealing with many of those problems. UNCTAD was of the view that the attainment of development as a by-product of growth in the industrialized countries was neither desirable nor realistic. The objective should be self-sufficient and sustained growth, stimulated by global economic forces.

187. There was need to establish the agenda for the eighth session of UNCTAD, which was due to be held the following year in a Latin American country. Some governments wished to have a selective and integrated agenda, while others preferred an agenda that contained all the issues within UNCTAD's area of competence.

188. In conclusion, he said that the ECLAC conference appeared to be an appropriate forum for appealing to the political goodwill of some industrialized countries to reverse their trade and financial policies which damaged all economies as well as the societies that comprised the community of nations. The session was also a good point of departure for internal and external measures aimed at eradicating poverty and social injustice.

189. After conveying his delegation's gratitude to the host country, the representative of Argentina noted the importance of the current session as a means of contributing to the revitalization of economic growth in the developing countries within the framework of international economic co-operation.

Summarizing events in the 1980s, he outlined the macroeconomic problems posed by the decline in basic commodity prices and the emergence of severe constraints in the world trade in those products; the real increase in international interest rates; the external debt, which heightened inflation and gave rise to instability in exchange rates, and the net outward transfer of resources being made by the developing countries. Those factors had so far made it impossible to overcome poverty and backwardness. He compared the above conditions with those in the developed world, where a scientific and technological revolution was taking place and there was a trend towards the formation of large blocs in which the rules of the new world economic order were taking shape.

190. His Government felt that those changes should be viewed as an opportunity rather than a hazard. Action which depended on the countries themselves included making structural changes in their economies, reallocating resources to increase competitiveness, making fiscal and other adjustments with a view to escaping from the situation of stagnation accompanied by hyperinflation which had lasted for over 10 years, and putting the growth process into motion. The Argentine Government took the view that there was no such thing as development unless it were accompanied by social justice, and for that reason it attached great value to the document on changing production patterns with social equity.

191. He stressed the importance of incorporation into the world scenario while at the same time remaining a part of the economy of the region. For that reason, it was essential for integration to become a reality. Co-operation by the international community was also vital to the solution of today's macroeconomic problems. Unless the current negative trend in the transfer of financial resources was reversed, debt payments were reduced and access to markets and to scientific and technological development was increased, it would be very difficult for countries to be successful in their efforts.

192. The representative of UNESCO said that his organization gave its fullest and most decided support to the appeal for intellectual reflection made by ECLAC in order to guide the adoption of development models. He emphasized how important it was for the region, on the threshold of the twenty-first century, to assign due weight to cultural aspects as a fundamental base for the construction of new societies and the identification of new economic, political, scientific and technological scenarios. That would entail the emergence of a new mentality in the region, expressed in specific values, attitudes and forms of behaviour that would make the new development model viable and ensure more effective contact with other cultures and the international community. Otherwise, the region would run the risk of facing yet another decade without development. He also referred to the fruitful collaboration between UNESCO and ECLAC and reiterated UNESCO's willingness to contribute, with the greatest goodwill and

with the resources at its disposal, to common tasks that would benefit the peoples and governments of the region.

193. The representative of non-governmental organizations said that the organizations' activities were aimed at promoting development, participation, social change, protection of the environment and respect for human rights with a view to encouraging co-operation, an essential element for the achievement of Latin American integration. Non-governmental organizations also contributed to the consolidation of democracy through the co-operation of civilian society. As Latin America and the Caribbean in the 1990s faced the challenge of overcoming the constraints imposed on development in the 1980s, the non-governmental organizations committed themselves to making a greater effort, which would be translated into effective actions adapted to national and regional situations and the contribution of their experiences to both the public and the private sectors. They would also co-operate with ECLAC in the implementation of its work programme.

194. The representative of Colombia noted that Latin America in the 1990s would differ from that of the 1980s both because of the prevalence of democracy and because of the hope that reform processes would be intensified in order to promote more egalitarian societies where civil, economic and social rights would be fully enjoyed. In that context, he noted the similarity between the policies promoted by the Government of his country and the Secretariat's proposal for changing production patterns with social equity.

195. After describing some of the economic and social policies of his country, he said that the efforts of the countries of the region might be frustrated if the industrialized countries did not collaborate in creating a favourable environment for adjustment processes, the reorientation of production structures, incorporation into international markets and elimination of poverty. Such a favourable environment would include, inter alia, strengthening the multilateral trade system, for which the negotiations of the Uruguay Round were of considerable importance, and overcoming the constraints imposed by the external debt on the achievement of economic development, social peace and political stability. In that connection, he emphasized that the countries which were up-to-date in their external debt payments had not received the benefits they deserved by virtue of their prudent management of their debt obligations.

196. In a recent statement before the European Parliament, the President of Colombia, reaffirming his belief in the importance of creating a favourable external environment for both trade and finance, had called for the establishment of a "solidarity pact" between the North and the South, guided by the criteria of co-responsibility and mutual benefit.

197. There were many positive elements in the current international scenario, such as the relaxation of tensions, the giving of priority to economic development over military strength, and the recognized need to work together to protect the environment. It would be highly desirable for those positive trends to be extended to trade and finance as well in order to fulfill the hopes of millions of inhabitants of the region for a better life.

198. The Minister of Planning of Honduras, addressing the meeting on behalf of the Central American nations, said that he spoke in a spirit which reflected the constructive dialogue being carried on at the highest political levels of the subregion. Firstly, the 1990s represented both an opportunity and a challenge for Central America: an opportunity to achieve a comprehensive peace and to further democracy through fair electoral processes, and a challenge to undertake the needed transformation of the Central American economies as a basic pre-requisite for the consolidation of peace.

199. The economic crisis persisted in the subregion, and there had been a deterioration of production capacity and of the economic links of the common market, a situation which was becoming worse owing to difficult external market conditions for traditional export products. As a result, high levels of poverty persisted, and were the domestic cause of the political crisis. Without economic recovery, the consolidation of peace and democracy would be fragile achievements. Strengthening development in Central America involved simultaneously dealing with a series of complexly interrelated fields, such as the stabilization of the subregion's economies, structural transformation, the lightening of the debt burden, subregional integration and, in particular, a frontal attack on extreme poverty, thereby ensuring that macroeconomic balances would be accompanied by social balances.

200. The ECLAC proposals were particularly relevant to Central America's needs, goals and efforts. He drew attention in that regard to the proposals on changing production patterns with social equity and on the quest for solutions to the external debt problem. He recalled that Costa Rica had taken an important step when it had renegotiated its debt under the Brady Plan, and that the serious difficulties posed by the bilateral and multilateral debt were also a topic of importance to the subregion.

201. The Central American countries were determined to make the utmost efforts and sacrifices by working in partnership. Their peace effort was a demonstration of that conviction, as was their continued support for the idea of subregional integration. Domestic efforts and the advances of world political détente had begun to create a climate of peace and democracy; what remained to be seen was whether international co-operation would continue to be accompany subregional efforts in relation to changing production patterns and social equity. Specifically, co-operation was required for rebuilding and adjustment, together with the flexibility

necessary to a post-war situation; access to markets unhindered by protectionism; solutions to the debt problem; and a diversion of the flow of arms and resources, which until recently had been used for war but should now be used for co-operative tasks. The Central American nations supported the Secretariat's proposal of opening up a process of consensus-building within Latin America and between Latin America and the industrialized nations. He drew attention, lastly, to the spirit of Latin Americanism and the Bolivarian generosity which had always distinguished the Venezuelan people, hosts of the current session.

Consideration of draft resolutions submitted directly to the Plenary

Admission of Italy as a member of ECLAC (agenda item 11)

202. During the plenary meeting held on the morning of 10 May the resolution on the admission of Italy as a member of ECLAC was adopted by acclamation. The draft resolution had been sponsored by Argentina, Guatemala, Mexico, Saint Lucia and Venezuela, and was presented by the representative of Argentina. It was enthusiastically endorsed by the representative of Portugal on behalf of the member countries of the European Economic Community (EEC) which were also members of ECLAC and by the representative of Peru, who, in expressing his country's support for the draft resolution, observed that the principle of universality governed his country's external relations and voiced the hope that in 1992 other new members would also join in the work of the Commission.

203. The representative of Italy thanked the countries which had sponsored the resolution as well as the other member countries, and praised the documentation prepared by the ECLAC Secretariat. The experience of his country demonstrated that there need not be any conflict between regional integration and integration into the international market. The challenge faced by the member countries of ECLAC was to strike a balance between regional links and an increasingly competitive and integrated world economy; the countries had already taken a highly significant step forward in terms of democratization.

204. The Government of Italy fully supported the efforts to tackle the external debt issue which the Secretary-General of the United Nations had entrusted to the statesman Bettino Craxi, and the study prepared by ECLAC provided valuable guidelines for improving the present international strategy for dealing with that problem.

205. In closing, he spoke of the need to attain greater social justice, to combat poverty and to protect the environment, and said that Italy stood ready and willing to help build a more just and more democratic world.

Admission of Puerto Rico as an associate member of ECLAC (agenda item 12)

206. During the meeting of the morning of 10 May the Commission approved by consensus the admission of Puerto Rico as an associate member of ECLAC. The draft resolution on the subject had been sponsored by Aruba, Barbados, Dominican Republic, Grenada, Haiti, Jamaica, Netherlands Antilles, Saint Lucia, Suriname, Trinidad and Tobago, and the United States Virgin Islands, and numerous delegations had expressed their support for the resolution.

207. In expressing his appreciation to the member countries, the representative of Puerto Rico said that the admission of his country to ECLAC fulfilled a long-standing desire which had arisen out of Puerto Rico's strong bonds with the Latin American region and its close ties of co-operation with the English-speaking countries of the Caribbean. He reviewed the achievements of Puerto Rico in the political, economic, social and cultural spheres, and concluded by thanking the United States for its support of the initiative, without which Puerto Rico's admission as a member of the Commission would not have been legally possible.

Support for Haiti

208. During the meeting held on the afternoon of 9 May the draft resolution on support for Haiti was adopted by consensus. The draft resolution had been introduced by the Latin American and Caribbean group, and numerous representatives had spoken in support of the initiative.

Economic co-operation between the Caribbean nations and the other countries of the region

209. During the meeting of the afternoon of 10 May the Commission adopted by consensus the resolution on economic co-operation between the Caribbean nations and the other countries of the region, which had been sponsored by the Latin American and Caribbean group and endorsed in statements made by the representatives of Jamaica, Saint Lucia and Trinidad and Tobago.

Place and date of the next session

210. At the morning meeting held on 11 May, the draft resolution on the place and date of the next session (PLEN/5), sponsored by the delegations of Argentina and Spain, was adopted by acclamation. In the resolution, the Commission expressed its gratitude to the Government of Chile and accepted its invitation with pleasure, and recommended to the United Nations Economic and Social Council that it should approve the holding of the twenty-fourth session of the Commission in Chile in 1992.

211. The representative of Chile thanked the Commission for accepting his country's proposal, and said that his delegation would do its utmost to see that the twenty-fourth session of ECLAC was held under the best possible conditions.

212. The Executive Secretary thanked the Government of Chile and expressed his satisfaction at the possibility of holding the next session in the headquarters country of the Commission.

Consideration and adoption of the reports and draft resolutions submitted by the Committees

Committee I

213. At its morning meeting on 11 May, the Commission adopted by consensus the report of Committee I (PLEN/7 and Add.1), which had been submitted by its Chairman, the head of the Bolivian delegation. The report included the resolution on changing production patterns, social equity and the international development strategy.

Committee II

214. At its morning meeting on 11 May, the Commission considered the report of Committee II (PLEN/6), which had been submitted by its Chairman, the head of the Guatemalan delegation, and the draft resolutions proposed by Committee II on the following subjects: calendar of conferences of ECLAC for the period 1990-1992; programme of work of ECLAC for the period 1992-1993; work priorities for the Latin American Demographic Centre; the role of women in economic and social development in Latin America and the Caribbean; guidelines for the work of the Latin American and Caribbean Institute for Economic and Social Planning vis-à-vis the new situations facing the region; activities of ECLAC in the fight against drug abuse; and activities of ECLAC in the field of the environment.

215. The Committee's report and the above draft resolutions were adopted by consensus. The representative of Colombia then made the following statement: "Colombia notes with interest the task entrusted to the Commission of analysing and studying possible measures for remedying the economic and social impact of the production, trafficking and consumption of drugs in the Latin American and Caribbean region. The international community has come to recognize the diversity of the actors involved in the overall process of the drug trafficking phenomenon and the diversity of the impact on the countries affected, especially the economic and social impact. It is understood that there is a need to promote the strengthening of the economies and institutions of the countries affected and to support those economies dependent on coca cultivation so that they may diversify. Specifically, Colombia has requested fair prices for its products and support for the

technification of production processes so that it may continue its customarily effective management of its economy. ECLAC can make a significant contribution to the study of the social and economic effects of this terrible scourge."

Committee on co-operation among developing countries and regions

216. At its morning session on 11 May, the Commission adopted by consensus the report of the Committee (PLEN/9), which had been submitted by its Chairman, the head of the delegation of Saint Lucia, and the draft resolution on co-operation among developing countries and regions proposed by the Committee to the Plenary.

Meeting to Mark the Culmination of the International Drinking Water Supply and Sanitation Decade

217. At its morning meeting on 11 May, the Commission adopted by consensus the report of the Meeting (PLEN/8) and the draft resolution on drinking water supply and sanitation to the year 2000 proposed by the Meeting to the Plenary.

## D. RESOLUTIONS ADOPTED BY ECLAC AT ITS TWENTY-THIRD SESSION

218. At its twenty-third session, the Commission adopted the following resolutions:

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| 503(XXIII) | SUPPORT FOR HAITI |
| 504(XXIII) | ADMISSION OF ITALY AS A MEMBER OF ECLAC |
| 505(XXIII) | ADMISSION OF PUERTO RICO AS AN ASSOCIATE MEMBER OF ECLAC |
| 506(XXIII) | ECONOMIC CO-OPERATION BETWEEN THE CARIBBEAN NATIONS AND THE OTHER COUNTRIES OF THE REGION |
| 507(XXIII) | CHANGING PRODUCTION PATTERNS, SOCIAL EQUITY AND THE INTERNATIONAL DEVELOPMENT STRATEGY |
| 508(XXIII) | CO-OPERATION AMONG DEVELOPING COUNTRIES AND REGIONS |
| 509(XXIII) | CALENDAR OF CONFERENCES OF ECLAC FOR THE PERIOD 1990-1992 |
| 510(XXIII) | PROGRAMME OF WORK OF ECLAC FOR THE PERIOD 1992-1993 |
| 511(XXIII) | GUIDELINES FOR THE WORK OF THE LATIN AMERICAN AND CARIBBEAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING (ILPES) VIS-A-VIS THE NEW SITUATIONS FACING THE REGION |
| 512(XXIII) | WORK PRIORITIES FOR THE LATIN AMERICAN DEMOGRAPHIC CENTRE (CELADE) |
| 513(XXIII) | THE ROLE OF WOMEN IN ECONOMIC AND SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN |
| 514(XXIII) | DRINKING WATER SUPPLY AND SANITATION TO THE YEAR 2000 |
| 515(XXIII) | ACTIVITIES OF ECLAC IN THE FIGHT AGAINST DRUG ABUSE |
| 516(XXIII) | ACTIVITIES OF ECLAC IN THE FIELD OF THE ENVIRONMENT |
| 517(XXIII) | PLACE AND DATE OF THE NEXT SESSION |

## 503(XXIII) SUPPORT FOR HAITI

The Economic Commission for Latin America and the Caribbean,

Recalling General Assembly resolution 42/177 of 11 December 1987 in which the General Assembly decided to convene the Second United Nations Conference on the Least Developed Countries in Paris in September 1990,

Bearing in mind General Assembly resolution 44/220 of 22 December 1989, in which the General Assembly emphasized the crucial importance of adequate preparation for the Conference and called upon all Governments and intergovernmental and multilateral institutions to take appropriate steps to ensure such preparation,

Taking into account General Assembly resolution 2768 (XXVI) of 18 November 1971, in which the General Assembly approved the list of hard core least developed countries as well as the classification of Haiti as the only country in Latin America and the Caribbean in this list,

Considering that Haiti, as the only hard core least developed country in Latin America and the Caribbean, is not part of any regional group in the preparatory activities for the Second United Nations Conference on the Least Developed Countries,

Taking into account the decision of the Tenth Meeting of the CARICOM Conference of Heads of Government that all possible technical support be given to the Government and people of Haiti in their efforts at political and economic advancement and social equity, and in this context its endorsement of a CARICOM ministerial mission to Haiti to examine modalities for such support,

1. Decides to support any actions which the Government of Haiti may take in the context of the Second United Nations Conference on the Least Developed Countries;

2. Appeals to all official bilateral sources as well as to intergovernmental and multilateral institutions to take advantage of the preparatory activities and the convening of the Second United Nations Conference on the Least Developed Countries to intensify their co-operation activities with Haiti, the only hard core least developed country in Latin America and the Caribbean;

3. Urges the Governments of the Latin American and Caribbean States members of the Commission to give tangible form to their support by providing technical co-operation to Haiti, bearing in mind their development priorities and taking into account the preparatory activities and the convening of the Second United

Nations Conference on the Least Developed Countries, as well as the need for co-ordination with other sources of co-operation;

4. Requests all specialized programmes and agencies of the United Nations to intensify their activities in Haiti within their respective areas of competence and in close collaboration with the Government of Haiti, and to co-ordinate such activities and lend each other mutual support so that maximum benefit may be derived from their respective efforts;

5. Requests the Secretariat of the Commission, the Latin American and Caribbean Institute for Economic and Social Planning and the Latin American Demographic Centre to intensify their activities in Haiti, in accordance with the priorities established by the Government of the country and with their available resources;

6. Instructs the Secretariat of the Economic Commission for Latin America and the Caribbean, in collaboration with other relevant agencies, to assist in the dissemination of the contents of the present resolution and to intensify its efforts to provide information aimed at promoting greater public awareness of the actions taken by Haiti in the field of international co-operation.

240th meeting
9 May 1990

## 504(XXIII) ADMISSION OF ITALY AS A MEMBER OF ECLAC

The Economic Commission for Latin America and the Caribbean,

Considering that the Commission was set up by Economic and Social Council resolution 106 (VI), on the basis of the participation of all the countries of Latin America and the Caribbean, plus those which have had special relations of a historical, cultural, geographical or economic nature with the region,

Bearing in mind, furthermore, that in this spirit the Terms of Reference of the Commission, as adopted by the Economic and Social Council, provide that membership of the Commission shall be open to Members of the United Nations in North, Central and South America and in the Caribbean area, and to France, the Netherlands, Portugal, Spain and the United Kingdom,

Considering in particular that the Latin American and Caribbean countries require the increasing economic co-operation of the developed nations which belong to ECLAC, as well as their understanding and support for the proposals of all the developing countries,

Bearing in mind that the Government of Italy has communicated to the Commission, through the Executive Secretary of ECLAC, its desire that Italy should be admitted to membership of the Commission,

Also considering that the historical, cultural and economic links --an essential requirement for the admission of new members to the Commission to receive consideration-- between Italy and the Latin American and Caribbean countries have been particularly close and continuous throughout the history of the region and have grown stronger in recent years,

1. Welcomes the request of the Government of Italy for the admission of that country as a member of the Commission;

2. Recommends to the Economic and Social Council, on the basis of the above preambular considerations, that it approve the admission of Italy as a member of the Commission and authorize to this effect the amendment of paragraph 3 (a) of the Terms of Reference of the Commission by the insertion of the word "Italy", between the word "France" and the words "the Netherlands" in that paragraph.

241st meeting
10 May 1990

## 505(XXIII) ADMISSION OF PUERTO RICO AS AN ASSOCIATE MEMBER OF ECLAC

The Economic Commission for Latin America and the Caribbean,

Considering the desirability that the economic and cultural relations between all peoples in the Caribbean area and the Latin American continent should be strengthened,

Recalling the Terms of Reference of the Commission, as adopted by the Economic and Social Council at its sixth session, and in particular article 3 (a) thereof regarding the admission of associate members,

Bearing in mind resolution 748(VIII) of the General Assembly of the United Nations,

Taking into account that the Government of the United States of America has communicated to the Commission, through the Executive Secretary of ECLAC, Puerto Rico's desire to be admitted as an associate member of the Commission,

1. Welcomes the aforementioned application of the Government of the United States of America, as it reflects the will of the people of Puerto Rico, and calls upon that Government, taking into account the wishes expressed by Puerto Rico, to continue to take all necessary measures to guarantee to this people its right to self-determination in accordance with the pertinent provisions of the Charter of the United Nations as well as the relevant resolutions and decisions of the General Assembly;

2. Decides to admit Puerto Rico as an associate member of ECLAC and welcomes its participation in the work of the Commission.

241st meeting
10 May 1990

## 506(XXIII) ECONOMIC CO-OPERATION BETWEEN THE CARIBBEAN NATIONS AND THE OTHER COUNTRIES OF THE REGION

The Economic Commission for Latin America and the Caribbean,

Concerned at the economic and social crisis currently being suffered by the Caribbean countries,

Recognizing the efforts which these countries have been making in recent years --both individually and within the framework of the Caribbean Community-- to attain sustained economic and social development,

Bearing in mind that the rest of the countries of the region are interested, within the limits of their own economic and technical possibilities, in supporting the efforts of the Caribbean countries so as to contribute to their integration and economic strengthening,

Taking account of the interest expressed by the Tenth Meeting of the Conference of Heads of Government of the Caribbean Community, held in July 1989, in rapidly developing and intensifying the relations between the countries of the Caribbean and those of Latin America,

Recalling ECLAC resolutions 440(XIX) of 15 May 1981 and 460(XX) of 6 April 1984, aimed at promoting technical and economic co-operation between the countries of the Caribbean and the other countries of the region,

Conscious of the background as regards co-operation between the two groups of countries, the institutional infrastructure of ECLAC and the role of the Caribbean Development and Co-operation Committee as a consultative body of the Executive Secretariat of ECLAC,

Recognizing the efforts of CARICOM and the Latin American Support Group of Venezuela, Colombia and Brazil and more recently Mexico in promoting co-operation, better understanding and integration of CARICOM into Latin America,

1. Urges the Latin American and Caribbean member countries of the Commission and the secretariats of the relevant groupings of the countries of the region to intensify their efforts to identify concrete possibilities for co-operation between the Caribbean nations and the other Latin American countries;

2. Invites the Caribbean Development and Co-operation Committee to evaluate the possibilities for co-operation between the above groups of countries and to make such recommendations in that respect as it considers appropriate;

3. Recommends that the agenda of the regular sessions of ECLAC should include an item entitled Strengthening of the relations of the Caribbean countries with other subregions and other countries of Latin America, with special attention to the recommendations which the Caribbean Development and Co-operation Committee might make in this respect;

4. Requests the Executive Secretary of ECLAC to:

a) intensify co-operation between the subregional headquarters of ECLAC in the Caribbean and in Mexico, and between them and ECLAC headquarters in Santiago, in order to promote greater technical co-operation (commensurate with the availability of resources) with the Caribbean region, including the updated study and identification of solutions of the problems standing in the way of the expansion of trade in goods and services and joint investments by Caribbean and Latin American countries;

b) contribute, in co-ordination with the Secretariat of the Caribbean Development and Co-operation Committee, to the preparation of the documentation required to facilitate the work of that Committee;

c) support the actions to benefit the Caribbean countries which were approved by the Latin American Council and are now under way within the framework of SELA, in co-ordination with the relevant bodies or secretariats of groupings of the region.

241st meeting
10 May 1990

## 507(XXIII) CHANGING PRODUCTION PATTERNS, SOCIAL EQUITY AND THE INTERNATIONAL DEVELOPMENT STRATEGY

The Economic Commission for Latin America and the Caribbean,

Taking into account that the majority of the countries of the region experienced severe economic and social setbacks and imbalances in the past decade --which to them was lost to development-- as a consequence of both external and internal constraints, many of which continue to exist and must therefore be overcome in order to resume the development process,

Recognizing that, despite these setbacks, advances have nevertheless been made, notably the gradual consolidation of pluralistic and participatory democratic political systems, and that a failure to reverse the recessionary situation of recent years could jeopardize this consolidation,

Taking into account also that the countries of Latin America and the Caribbean are faced with other challenges as well, inasmuch as they must adapt to the sweeping changes occurring in the international situation which are affecting the economic, financial and trade order as well as relations among nations,

Considering that, given the tremendous build-up of demands to attain development in democracy in the 1990s and beyond, the countries of Latin America and the Caribbean will be called upon to mount a massive effort which will involve, inter alia, a reappraisal of possible economic policies and strategies to have access to development, as well as an evaluation of the lessons to be learned from concrete experiences both within and outside the region,

Considering that the national development efforts of each country in the region require a favourable international environment to enhance the fulfilment of their objectives, which means that all countries must meet their obligations in respect of international co-operation,

Bearing in mind that the easing of international political tensions should facilitate better participation by the region in the international economic system,

Taking note of the "Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries", adopted by the General Assembly on 1 May 1990, which seeks to promote urgently international economic co-operation,

Considering that regional and subregional integration schemes represent a valuable development tool for the countries of the

region and for the achievement of greater competitiveness by Latin America and the Caribbean,

Recalling that the responsibilities of the Commission, as approved by the Economic and Social Council in resolution 106 (VI), include the study and seeking of solutions of problems arising from world economic maladjustment, as well as the research projects and studies deemed appropriate by the Commission,

Further recalling that the work carried out by ECLAC has included numerous contributions to Latin American and Caribbean economic thought and to the design and implementation of economic and social development policies and strategies of relevance for the countries of the region,

On the understanding that the Governments of Latin America and the Caribbean will hold a regional conference on external indebtedness to take place within the framework of SELA in June 1990 and another regional conference on industrialization to take place in November 1990,

Having examined the documentation which the Secretariat has submitted for consideration at the twenty-third session of the Commission,

1. Receives with appreciation the document prepared by the Secretariat entitled Changing production patterns with social equity (LC/G.1601(SES.23/4)), which constitutes an enlightening and most valuable contribution to the debate on the re-establishment of the development process and offers replies to many of the challenges facing the region;

2. Notes with interest the documents entitled Latin America and the Caribbean: Options to reduce the debt burden (LC/G.1605(SES.23/5)) and International Development Strategy: Some considerations from the standpoint of Latin America and the Caribbean (LC/G.1604(SES.23/3)), which contain elements useful for discussion; these documents should be periodically updated so as to help shape the views of Latin America and the Caribbean in the relevant forums;

3. Reiterates its deep concern over the mass of obstacles and constraints affecting most of the countries of the region, at a time when they must cope with the many complex challenges of the 1990s and beyond;

4. Fully agrees with the emphasis placed by the Secretariat on the fact that the constraints and obstacles mentioned in the preceding paragraph can only be overcome through systematic efforts to bring about changes in production patterns with social equity and to mitigate the problems of extreme poverty, thus safeguarding the human capital, especially in the most vulnerable social

sectors, and notes that the achievement of these objectives will demand action on the part of the countries of the region themselves, whether individually or collectively, as well as the necessary external support and co-operation to promote such changes and to make them viable;

5. Emphasizes that the process of changing production patterns with social equity in a manner adapted to the special characteristics of each country entails a complex series of requirements which include, as basic guidelines, the combination of a consistent and stable form of macroeconomic management with sectoral policies; the integration of short- and long-term policies, and institutional changes or rearrangements to facilitate creative interaction between public and private agents;

6. Also emphasizes the vital role which intraregional co-operation and regional and subregional integration must play in supporting the process of changing production patterns and in improving the position of the countries of the region in the international economy;

7. Underscores the importance of international co-operation for achieving the objectives of development and equity and the need to seek means of ensuring greater participation by the countries of the region in the international economic system and in changes in that system within the framework of the agreement reached by the General Assembly as contained in the "Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries";

8. Recommends member countries to support increased co-operation and mutual trade between countries of the region and Eastern European countries;

9. Recommends also that the formulation of an international development strategy for the fourth United Nations development decade should be used, as appropriate, as a suitable guiding instrument for future rounds of consultation, dialogue, negotiations and agreements of the multilateral economic agencies on international economic relations and on the role of international economic co-operation;

10. Welcomes the "Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries", adopted at the eighteenth special session of the United Nations General Assembly on 1 May 1990, and calls upon member States, in preparing the IDS for the 1990s and in conducting discussions on international economic issues, to take fully into account the objectives and commitments contained in the Declaration and its implicit spirit, to support the efforts undertaken by each of the countries of the region to achieve changes in their production patterns with social

equity, and to bear in mind that for the Latin American and Caribbean region the priority concerns are:

a) to secure a reactivation of growth and sustained development which integrates economic and social aspects and improves the standard of living of their people;

b) to create conditions conducive to the reversal of the current negative trend in the transfer of financial resources from the developing countries of the region to the developed countries;

c) to give continued attention to a broad and durable solution to the external debt problems of debtor countries in the region which provides for the widespread implementation of the recent initiatives and measures to reduce the total debt and the burden of servicing it;

d) to improve access to markets, with particular attention to multilateral negotiations aimed at a more open international trading system in which commitments to standstill and rollback of protectionism are honored everywhere;

e) to improve the functioning of commodity markets through more stable and predictable conditions, and to pursue export diversification;

f) to create conditions favourable to the more rapid dissemination of scientific and technological advances as well as to the development of endogenous capacities in the countries of the region;

g) to protect the environment, taking into account the development process;

h) to combat the drug trafficking problem through programmes of alternative development and interdiction, with the active participation of both the producer and the consumer countries;

i) to develop human resources through improved programmes of education, health, nutrition, housing, population, and other social services;

j) to take action to arrest and reverse the current escalation of poverty and hunger and adopt measures in the development process to protect the most vulnerable segments of the population;

11. Instructs the Executive Secretary, in executing the programme of work of the Commission, to bear in mind the need for additional considerations which permit:

a) collaboration with the countries of the region and with their regional and subregional co-operation and integration schemes in the review of the proposals set forth in the document Changing production patterns with social equity on the basis of their individual situations, with special emphasis on the design of appropriate policies and institutions for achieving the objectives of changing production patterns and social equity within an environmentally sustainable context;

b) deeper reflection on options for solving the grave social problems affecting the region;

c) continued evaluation of the manner in which the changing external situation affects the ability of the countries of the region to carry forward changes in production patterns with social equity;

12. Requests the Executive Secretary to disseminate the main conclusions of the session and promote as broad a debate as possible, in different forums and at different levels both within and outside the region, on the pivotal document presented at this twenty-third session, and to take advantage of this process to enrich and further develop the proposals to be formulated by the Secretariat in the future.

243rd meeting
11 May 1990

## 508(XXIII) CO-OPERATION AMONG DEVELOPING COUNTRIES AND REGIONS

The Economic Commission for Latin America and the Caribbean,

Recalling the Buenos Aires Plan of Action adopted at the United Nations Conference on Technical Co-operation among Developing Countries (TCDC) held in that city in September 1978 and endorsed by the General Assembly in resolution 33/134 of 19 December 1978,

Taking into account the decisions adopted at the sixth session of the High-Level Committee on the Review of Technical Co-operation among Developing Countries, which met from 18 to 22 September 1989 at United Nations Headquarters, New York, and in particular decisions 6/3 and 6/5 addressed to the organs, organizations and bodies of the United Nations system,

Recalling its resolutions 491(XXII) and 492(XXII) on technical and economic co-operation among developing countries and regions,

Bearing in mind the results of the meeting of government experts convened by UNDP (New York, 9-20 April 1990) to identify the obstacles to technical co-operation among developing countries and recommend measures for surmounting them,

1. Takes note of the report of activities of the ECLAC system in support of co-operation among developing countries and regions in the biennium 1988-1989, presented by the ECLAC Secretariat at this session;*/

2. Reaffirms the importance of co-operation among the developing countries of Latin America and the Caribbean at the regional and subregional level as a means of achieving the economic and social development objectives of those countries;

3. Also reaffirms the importance of the role ECLAC must play in supporting initiatives and actions by the countries of the region aimed at materializing co-operation among developing countries at the subregional, regional and interregional level;

4. Emphasizes the need to continue and intensify the Secretariat's efforts to promote and support co-operation among the countries of the region in sectors which their Governments consider to be of interest and to support and further the existing regional and subregional co-operation systems in those sectors;

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*/ See the document entitled Activities of the ECLAC system to promote and support technical co-operation among developing countries and regions (LC/G.1611(SES.23/12)).

5. Requests the Executive Secretary, in accordance with the relevant mandates, to:

a) strengthen the links between the ECLAC system and the national government-designated focal points for technical co-operation among developing countries and regions so that the Secretariat's activities to promote and support such co-operation will continue to respond effectively to the needs of the countries of the region in those sectors which their Governments consider to be of priority importance for their economic and social development objectives, providing support, when so requested by Governments, for the management capacity as regards co-operation at the national level;

b) intensify activities designed to support existing co-operation networks and systems in those sectors in the region, facilitating and promoting the exchange of co-operation experience in order to improve the management capacity for co-operation among the countries of the region;

c) continue with activities designed to back up the dissemination of information on opportunities and initiatives for co-operation among developing countries at the regional and interregional levels;

d) continue and further expand activities aimed at identifying and incorporating operational forms of technical co-operation among developing countries in the various sectors of the programme of work of the ECLAC Secretariat, with special emphasis on those forms which permit, where appropriate, the participation of both governmental and non-governmental agents of co-operation;

e) collaborate with initiatives and mechanisms for co-ordinating the work of bodies and organizations which carry on activities in the region relating to projects for co-operation among developing countries, so as to consolidate the progress already made in these matters and help to improve the efficiency and efficacy of such activities;

f) continue to give support to the regional programming exercises in technical co-operation among developing countries in sectors of priority importance to the countries, which are sponsored by the United Nations Development Programme (UNDP) in co-ordination with the Latin American Economic System (SELA);

g) continue to collaborate with the Permanent Secretariat of SELA in the preparation of activities with the national focal points for technical co-operation among developing countries within the scope of their respective mandates, especially in the case of activities connected with the annual Meetings of National Directors of Technical Co-operation;

h) step up joint action with the other regional commissions for the formulation and execution of projects to promote technical and economic co-operation among countries of the various developing regions, taking as the basis for this the initiatives already taken in this field among the regional commissions in recent years, in consultation and co-ordination with the relevant organizations of the United Nations system.

243rd meeting
11 May 1990

## 509(XXIII) CALENDAR OF CONFERENCES OF ECLAC FOR THE PERIOD 1990-1992

The Economic Commission for Latin America and the Caribbean,

Recalling resolution 419(PLEN.14) of the Committee of the Whole of ECLAC, on rationalization of the institutional structure and the pattern of meetings of the ECLAC system, in which it was determined that the Commission should consider at each of its regular sessions the complete calendar of conferences and meetings scheduled up to the next regular session,

Taking account of resolution 489(PLEN.19) on the intergovernmental structure and functions of ECLAC, in which it is recommended that the current institutional structure be maintained,

Bearing in mind the resolutions and decisions of the Economic and Social Council and of ECLAC laying down and governing the frequency of the meetings of subsidiary bodies of the Commission, as given in annex 2 of document LC/G.1614(SES.23/6),

Having examined the Calendar of Intergovernmental Conferences of ECLAC for the period 1990-1992 proposed in annex 5 of document LC/G.1614(SES.23/6),

Taking account of the objectives and priorities established in the various regional programmes of work and action approved by the member Governments at the twenty-third session,

1. Approves the Calendar of Conferences of ECLAC, as given in the annex to this resolution, with the observations and suggestions reflected in the report of the twenty-third session of ECLAC;

2. Affirms that the present conference servicing system of ECLAC, whereby the Executive Secretary is responsible for both substantive and organizational aspects, has proved its efficiency and cost-effectiveness, and encourages him to continue his efforts in that regard;

3. Requests the Executive Secretary to submit to the pertinent bodies of the United Nations such proposals as may be necessary to enable the Calendar of Conferences thus approved to be carried out;

4. Instructs the Executive Secretary to report to the twenty-fourth session of ECLAC on the fulfillment of this resolution.

243rd meeting
11 May 1990

Annex

CALENDAR OF INTERGOVERNMENTAL CONFERENCES OF ECLAC FOR THE PERIOD 1990-1992

| Year | Title | Place and date | Legislative authority | Source of financing |
|---|---|---|---|---|
| 1990 | Seventeenth session of the Committee of High-Level Government Experts (CEGAN) | La Paz 5-8 March | ECLAC resolutions 310(XIV); 419(PLEN.14); 422(XIX), para. 204; 425(XIX) and 489(PLEN.19) | ECLAC regular budget |
| 1990 | Twenty-third session of ECLAC | Caracas 3-11 May | ECLAC resolutions 488(XXI) and 500(XXII); ECOSOC Decision 1988/171 | ECLAC regular budget |
| 1990 | Regional meeting of government experts on the environment and sustainable economic and social development in Latin America and the Caribbean; in implementation of paragraph 16 of General Assembly resolution 42/187, entitled "Report of the World Commission on Environment and Development" | ECLAC Headquarters b/ | Decision of 20th session ECLAC Committee of the Whole, para. 108; document LC/G.1556 (PLEN.20/5) | Inter-American Development Bank, Government of Norway |
| 1990 | Thirteenth session of the Caribbean Development and Co-operation Committee (CDCC) | a/ | ECLAC resolutions 358(XVI), 419(PLEN.14) and 489(PLEN.19) | ECLAC regular budget |
| 1990 | Central American Economic Co-operation Committee | a/ | ECLAC resolution 9(IV) | ECLAC regular budget |
| 1991 | Fourteenth session of the Caribbean Development and Co-operation Committee (CDCC) | a/ | ECLAC resolutions 358(XVI), 419(PLEN.14) and 489(PLEN.19) | ECLAC regular budget |
| 1991 | Eighteenth session of the Committee of High-Level Government Experts (CEGAN) | United Nations Headquarters, New York, April/May b/ | ECLAC resolutions 310(XIV); 419(PLEN.14); 422(XIX), para. 204; 425(XIX) and 489(PLEN.19) | ECLAC regular budget |

Annex (concl.)

| Year | Title | Place and date | Legislative authority | Source of financing |
|---|---|---|---|---|
| 1991 | Twenty-first session of the ECLAC Committee of the Whole | United Nations Headquarters, New York, April/May b/ | ECLAC resolutions 419(PLEN.14) and 489(PLEN.19) | ECLAC regular budget |
| 1991 | Latin American and Caribbean Regional Preparatory Meeting for the United Nations Conference on Environment and Development; in implementation of section II, paragraph 13 of General Assembly resolution 44/228, entitled "United Nations Conference on Environment and Development" | Mexico City b/ | General Assembly resolution 44/228 | United Nations Headquarters, regular budget |
| 1992 | Fifth Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean | a/ | The Conference was constituted as a permanent subsidiary organ of ECLAC, by decision of the Eleventh Extraordinary Session of the Committee of the Whole (E/CEPAL/AC.71/4) | ECLAC regular budget |
| 1992 | Regional Council for Planning (ILPES) | Spain a/ | ECLAC resolution 340(AC.66) | ILPES budget |
| 1992 | Nineteenth session of the Committee of High-Level Government Experts (CEGAN) | a/ | ECLAC resolutions 310(XIV); 419(PLEN.14); 422(XIX), para. 204; 425(XIX) and 489(PLEN.19) | ECLAC regular budget |
| 1992 | Fifteenth session of the Caribbean Development and Co-operation Committee (CDCC) | a/ | ECLAC resolutions 358(XVI), 419(PLEN.14) and 489(PLEN.19) | ECLAC regular budget |
| 1992 | Twenty-fourth session of ECLAC | Chile, b/ c/ | ECLAC resolutions 419(PLEN.14) and 489(PLEN.19) | ECLAC regular budget |

a/ Place and date to be decided.
b/ Date to be decided.
c/ Subject to approval by ECOSOC.

## 510(XXIII) PROGRAMME OF WORK OF ECLAC FOR THE PERIOD 1992-1993

The Economic Commission for Latin America and the Caribbean,

Bearing in mind article 8 and rule 24 of the Terms of Reference and Rules of Procedure of ECLAC, the mandates issued by the General Assembly and the Economic and Social Council regarding the preparation and consideration of the programmes of work of all the bodies of the system, and the provisions of General Assembly resolution 38/32E and decision 1984/101 of the Economic and Social Council regarding recurrent publications of the United Nations,

Having considered the draft programme of work for the different areas of activity of the ECLAC system for the period 1992-1993, which covers also the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and the Latin American Demographic Centre (CELADE),

Taking full account of the views expressed and the adjustments to the programme proposed by representatives of member Governments, as recorded in the final report of the twenty-third session, and the changes deriving from the resolutions adopted at that session,

1. Approves the draft programme of work of the ECLAC system,*/ including ILPES and CELADE, for the period 1992-1993, with the adjustments arising from the resolutions and decisions adopted at the twenty-third session of the Commission and reflected in the final report thereof, and adopts it as the legislative basis of the Commission for the execution of the programmes and projects and the issuance of the recurrent publications included in it;

2. Takes note that the allocation of resources necessary for carrying out the activities described in the programme will require the prior approval of the relevant bodies of the United Nations;

3. Requests the Executive Secretary to submit to the relevant bodies of the United Nations such proposals as may be necessary to enable the programme of work thus approved to be carried out;

4. Instructs the Executive Secretary to report to the twenty-fourth session of ECLAC on the fulfillment of this resolution.

243rd meeting
11 May 1990

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*/ LC/G.1600(SES.23/8).

## 511(XXIII) GUIDELINES FOR THE WORK OF THE LATIN AMERICAN AND CARIBBEAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING (ILPES) VIS-A-VIS THE NEW SITUATIONS FACING THE REGION

The Economic Commission for Latin America and the Caribbean,

Recalling that the Latin American Institute for Economic and Social Planning (ILPES) is a permanent institution of the United Nations with its own identity within the ECLAC system and an intergovernmental service agency guided directly by the Governments of Latin America and the Caribbean,

1. Recognizes that ILPES has continued to make every effort to present the Governments with conceptual innovations and forecasts of the problems that they will face in the near future in the area of development planning and policies, and at the same time takes note of the Institute's progress in adapting its organizational and functional structure to meet the responsibilities assigned to it by Governments;

2. Expresses its approval of the reports of the activities of ILPES in 1988 and 1989, and likewise approves its proposed programme of work for the 1990-1991 biennium;*/

3. Recommends to ILPES that it should expand its links with other actors in the economic process, both public and private, in order to enrich its interpretations of and contributions to the formulation of strategies;

4. Expresses its concern at the financial difficulties caused by delays in the receipt of contributions from the countries of the region, and urges the Governments of the member States of the Institute to correct this situation;

5. Expresses once again its gratitude to the Governments of other States which have helped to finance the Institute, and in particular to the Governments of France, Italy, the Netherlands and Spain, which are financing specific activities and projects;

6. Requests ILPES to explore additional possibilities outside the region with a view to strengthening its sources of financing so as to give greater solidity to its New Institutional Project, with the principles of which the Commission is in full agreement;**/

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*/ See document LC/G.1607(SES.23/11).
**/ Resolution 493(XXII) of ECLAC.

7. Notes the results obtained at the Seventh Conference of Ministers and Heads of Planning, held within the framework of the System of Co-operation and Co-ordination among Planning Bodies of Latin America and the Caribbean (SCCOPALC), as well as of the conclusions of the Eighth Meeting of the Regional Council for Planning and of the Twelfth Meeting of the Presiding Officers of the Regional Council for Planning;

8. Expresses its satisfaction at the support given to the Institute by the Executive Secretariat of ECLAC and urges the latter to keep up and if possible further increase its technical co-operation and to continue with its efforts to endow ILPES with stable resources;

9. Expresses its thanks to UNDP for its financial support of the regional project on planning and public policies and asks it to continue in the future to provide its support for the co-operation projects presented by ILPES for consideration by the Governments of member States. The Commission also gratefully acknowledges the collaboration of UNDP's network of Resident Representatives;

10. Expresses once again its grateful recognition of the support provided by the Inter-American Development Bank (IDB) in financing projects for co-operation with the countries and requests the Institute to continue to make every effort to co-ordinate its actions with that body, as well as with the World Bank;

11. Congratulates the Government of the Netherlands Antilles on its organization of the Twelfth Meeting of the Presiding Officers of the Regional Council for Planning, which was held in Curaçao on 2-3 April 1990;

12. Thanks the Government of Spain for its invitation to hold the Special Conference of Ministers and Heads of Planning of Latin America and the Caribbean in Madrid in 1992, as well as the Government of Jamaica for its offer to host the regular Conference of that body in Kingston in 1993.

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11 May 1990

## 512(XXIII) WORK PRIORITIES FOR THE LATIN AMERICAN DEMOGRAPHIC CENTRE (CELADE)

The Economic Commission for Latin America and the Caribbean,

Mindful of the conclusions and recommendations of intergovernmental meetings on population in the region, in particular those aimed at putting into practice the principles and proposals of the World Population Plan of Action,

Also mindful that those recommendations call attention to the need to tackle population problems as an integral part of development strategies, the process of planning and policies in general,

Considering the objective of the Latin American Regional Population Programme */ to work with the countries of the region in acquiring knowledge concerning their demographic situation, the formulation and assessment of development plans and programmes and the exchange of information in the field of population --tasks entrusted to the Latin American Demographic Centre,

Also considering that the ECLAC studies reflected in the document entitled Changing production patterns with social equity **/ submitted to the twenty-third session of ECLAC draw attention to the importance of the objective of equity and of the role of population in development,

Aware of the importance for the member countries of the Commission to be able to continue to rely on the services of an appropriate regional body endowed with sufficient resources to meet needs with regard to technical co-operation; training of executive and technical staff; the development and adaptation of analysis techniques which meet the conditions of the region; the generation, processing and retrieval of information on population; and the inclusion of demographic variables in development plans and policies,

1. Notes with satisfaction the report on the activities of CELADE for the period 1988-1989 ***/ and the programme of work of CELADE for the period 1992-1993,****/ which is concerned primarily

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*/ E/CEPAL/1002.
**/ LC/G.1601(SES.23/4).
***/ LC/G.1598(SES.23/10).
****/ LC/G.1600(SES.23/8).

with tasks of training and technical co-operation based on studies on population and development;

2. Notes the work performed by CELADE in the service of national development policies and of the quest for social equity undertaken by the Governments of the region;

3. Expresses its recognition of the United Nations Population Fund for its continued support and in particular for the support given through CELADE to the participation of the Latin American region in the Global Programme of Training in Population and Development;

4. Also expresses its recognition of the Government of Canada for renewing the CELADE/Canada cooperation agreement and its recognition of the Governments of France and The Netherlands for their continued support of CELADE;

5. Requests CELADE, in the framework of its programme of work for the period 1992-1993,

a) to work with Governments in the design and execution of social policies that, by identifying adequately the subgroups they cover, allow the benefits of development to reach all sectors of the population;

b) to study, in co-operation with the Governments of the region, the effects of the probable trends in population growth of the countries of Latin America and the Caribbean on the development of those countries and to support the appropriate use of the 1990 censuses;

c) to continue their efforts to incorporate, adapt and create information technologies which allow for and facilitate the treatment of the population variables in economic and social development policies;

d) to continue with and intensify multidisciplinary training activities, in particular those designed to strengthen the awareness of authorities and to train government technicians in the practical application of questions relating to population and development, to support and strengthen population studies in universities and other national centres and to train experts in the field of population;

e) to co-operate, in particular in the implementation of the Special Plan of Economic Co-operation for Central America, in co-ordination with the ECLAC Subregional Headquarters in Mexico.

243rd meeting
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## 513(XXIII) THE ROLE OF WOMEN IN ECONOMIC AND SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

The Economic Commission for Latin America and the Caribbean,

Recalling General Assembly resolutions 40/108, 42/62, 44/75, 44/77 and 44/171 and also Economic and Social Council resolutions 1987/18 and 1988/59 concerning activities of the United Nations system for the promotion of women within the framework of the Nairobi Forward-looking Strategies for the Advancement of Women,

Considering General Assembly resolutions 40/105, 42/178 and 44/171 and also Economic and Social Council resolutions 1987/65, 1988/22 and 1988/30 and ECLAC resolution 483(XXI) relating to the role of the regional commissions in the integration of women in economic and social development at regional level,

Mindful of the regional efforts which will be necessary in respect of the forthcoming world conference on this question, which is scheduled for 1995,

1. Endorses the assessment and recommendations made by the Fourth Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean and by the Ninth Meeting of the Presiding Officers of that Conference;

2. Urges the Executive Secretary of ECLAC to provide as much support as possible for the regional activities on women and development carried out by the Commission in preparation for the forthcoming regional conferences and for the world conference scheduled for 1995.

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## 514(XXIII) DRINKING WATER SUPPLY AND SANITATION TO THE YEAR 2000

The Economic Commission for Latin America and the Caribbean,

Taking account of the resolutions and recommendations adopted at its nineteenth session on support for the International Drinking Water Supply and Sanitation Decade and on measures to promote the achievement of the objectives of the Decade in the region,

Deeply concerned by the severe repercussions of the crisis prevailing in the region since 1981, which has acted to the detriment of forms of economic and social development designed to benefit the whole population and has affected levels of investment in the drinking water supply and sanitation sector in most countries of Latin America and the Caribbean,

Conscious that the shortage of resources for the sector has reduced the expansion of services and the maintenance of existing systems, and that the effects of the reduction in resources have mainly been felt by the lower-income groups in both urban and rural areas,

Bearing in mind the declaration of the States of the Latin American region, made at the one-day special session of the United Nations General Assembly on 10 November 1980 to launch the Decade, to the effect that Latin America has as one of its priorities the achievement of the goals of the International Drinking Water Supply and Sanitation Decade,

Taking note of resolution WHA42.25 adopted by the World Health Assembly on the Decade in which the Assembly, inter alia, urges those member States which are not likely to meet the targets of the Decade to review the status of the sector, expand its development and adopt innovative approaches to the promotion and financing of water supply and sanitation systems,

Recognizing that it is urgently necessary to redouble such efforts in the majority of countries of Latin America and the Caribbean if sustainable economic and social development is to be achieved and maintained in the region,

1. Calls upon Governments to renew and strengthen their political commitment to reconsider and re-establish priorities for drinking water supply and sanitation projects and to establish universal targets for the year 2000;

2. Further calls upon Governments to seek adequate organization of the sector in the countries at the various national levels in order to obtain the most appropriate institutional infrastructure for the development of the sector, taking into

consideration decentralization policies and including the interrelationships that must be maintained with the other sectors and external co-operation;

3. Urges Governments to examine the situation of the institutions responsible for the sector in order to prepare them --through a process of institutional development that will integrate within one system the information, planning, financing, commercial, operational and maintenance, training and other necessary subsystems-- to discharge their functions effectively, efficiently and in a co-ordinated manner and to adapt themselves to the needs of the communities they serve, within their corresponding institutional framework; develop policies and financial systems that take into account the needs of the lower-income population in urban and rural areas, while at the same time ensuring the financial viability of the institutions so as to facilitate the development of adequate water supply and sanitation services for all; adopt policies for the development and application of appropriate technologies in order to reduce the cost of installations and of the operation and maintenance of services, thus freeing resources for use in expanding services, at lesser cost, to more people; develop and apply strategies to increase the overall participation of the community, including women, in the various phases of the development of water supply and sanitation services; seek to establish an effective linkage between primary health care and water supply and sanitation services; develop and institutionalize intersectoral co-operation and co-ordination among institutions in order to make programmes and actions more effective and mutually beneficial; strengthen external co-operation mechanisms in order to allow for more efficient and rapid use of the economic and technical resources offered by the external support agencies;

4. Urges Governments to establish international co-operation machinery to review the objectives, strategies and goals of the sector, maintaining up to the year 2000 the spirit that gave rise to the International Drinking Water Supply and Sanitation Decade and taking steps to ensure that it is extended to participation in the forthcoming world conference on the Decade, to be held in New Delhi.

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## 515(XXIII) ACTIVITIES OF ECLAC IN THE FIGHT AGAINST DRUG ABUSE

The Economic Commission for Latin America and the Caribbean,

Recalling the adoption, at Vienna on 19 December 1988, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and reaffirming its importance as a means of intensifying international co-operation in this field,

Considering General Assembly resolutions 44/141 on the Global Programme of Action against illicit narcotic drugs and 44/142 on international action to combat drug abuse and illicit trafficking, both adopted on 15 December 1989,

Taking account of the agreements arrived at by the countries of the region at the recently held seventh meeting of the Inter-American Drug Abuse Control Commission,

Likewise taking account of the Political Declaration of the World Ministerial Summit to reduce demand for drugs and to combat the cocaine threat, held in London in April 1990,

Also considering the Political Declaration and Global Programme of Action adopted by the General Assembly on 23 February 1990 at its seventeenth special session, devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs and psychotropic substances,

Alarmed at the enormous magnitude attained by drug abuse and by the production and illicit trafficking of narcotic drugs and psychotropic substances, which menace the health of millions of people, especially young persons,

Observing with profound concern that the drug problem is assuming new dimensions in various countries of Latin America and the Caribbean, where acts of violence are perpetrated against democratic institutions, leading not only to loss of life and destabilization of institutions but also to adverse effects on the economy and the need to spend enormous amounts of fiscal resources on the struggle against drug trafficking, to the detriment of public investment in priority areas of development,

Noting that the drug problem has serious economic, social, political, cultural and human consequences which threaten the very bases of co-existence in the societies affected and generate obstacles to economic and social development,

Considering that in the countries producing the raw materials used in the preparation of drugs the volume of the economic and

financial flows generated by the production and trafficking of drugs has great and varied macroeconomic effects on such aspects as employment, the gross domestic product, the level of exports and the exchange rate, in the short term, and on income distribution and structural change in the long term,

Conscious that the drug trafficking problem, in addition to its ethical, legal and criminal aspects, is also becoming a phenomenon with serious economic implications,

Bearing in mind that in the struggle against the drug problem there must be greater international co-operation to increase rural development programmes and other economic development and technical assistance programmes aimed at reducing the illicit production and trafficking of drugs by strengthening the economic, judicial and legal systems of the developing countries affected by the problem, including the transit countries,

Emphasizing the importance of the Political Declaration and Global Programme of Action adopted at the seventeenth special session of the General Assembly, which considers that action against drug abuse and narcotics trafficking should, as a shared responsibility, be accorded high priority by the international community and that the United Nations should be the main focus for concerted action in that field, in conformity with the principles of the United Nations Charter and of international law, especially as regards the prohibition against the use or threat of force in international relations, respect for the sovereignty and territorial integrity of States, the principle of non-interference in the internal affairs of States and the provisions of the international drug control conventions,

1. Accords high priority to the search for solutions to the serious problems caused by the production, illicit trafficking and consumption of drugs in the region;

2. Urges member countries to strengthen their co-operation at the regional level in the fight against all forms of illicit drug trafficking and to develop policies aimed at the substitution, reduction and/or elimination of narcotic crops, prevention of drug consumption and elimination of drug abuse, in accordance with the principles of the United Nations Charter and of international law, especially respect for the sovereignty and territorial integrity of countries, respect for their legislation and non-interference in the internal affairs of countries;

3. Requests the Executive Secretary to study regional forms of implementation of the Global Programme of Action and of the United Nations Decade against Drug Abuse, covering the period 1991 to 2000, proclaimed by the General Assembly;

4. Urges member countries to carry out the recommendations of the London Declaration adopted by the World Ministerial Summit to reduce demand for drugs and to combat the cocaine threat, hosted by the United Kingdom in association with the United Nations in London in April 1990;

5. Recommends that the Executive Secretary should intensify ECLAC's activities in this field and give particular emphasis, in the design of future actions, to:

a) The study and formulation of measures to determine and remedy the economic impact of the production, illicit trafficking and consumption of drugs in the region;

b) Consideration of any follow-up to the study currently being undertaken in the United Nations system in accordance with General Assembly resolution 44/142 on drugs;

c) Support for national programmes of alternative development and interdiction and prevention of the production, transport, trafficking and consumption of drugs, through the preparation of studies and policy guidelines and the organization of practical courses to back up community action in this field;

d) The provision of assistance to member countries which so request in the study of national policies to strengthen community action to prevent and reduce the trafficking and consumption of illicit drugs and psychotropic substances, while also stimulating the establishment of national information and exchange networks among institutions dealing with this subject;

6. Instructs the Executive Secretary of ECLAC to take steps to obtain from the United Nations Fund for Drug Abuse Control (UNFDAC), or from extrabudgetary contributions, additional supplementary resources to carry out the above activities during the present biennium;

7. Requests the Executive Secretary of ECLAC to include in the budget for the 1992-1993 biennium resources to cover research and technical co-operation activities along the above lines, as well as the permanent resources needed to ensure the continuity of the Commission's action in this field;

8. Urges the member countries of the United Nations to make voluntary contributions to help finance these activities.

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## 516(XXIII) ACTIVITIES OF ECLAC IN THE FIELD OF THE ENVIRONMENT

The Economic Commission for Latin America and the Caribbean,

Welcoming resolution 44/228 on the United Nations Conference on Environment and Development to be held in 1992 and resolution 44/229 on the strengthening of international co-operation in the field of the environment, both adopted by the General Assembly on 22 December 1989, and the declarations of Brasilia of 31 March 1989 on development and environment in Latin America and the Caribbean, adopted by the Sixth Ministerial Meeting on the Environment in Latin America and the Caribbean, and of the Amazon, adopted by the First Meeting of Presidents of the Countries of the Amazon Region on 6 May 1989,

Considering that the countries of the region are faced with the pressing need to attain increasing economic growth rates in the short and medium term in order to ensure a continued, substantial improvement in the quality of life of their peoples, and that their economic and social progress should be ensured through the implementation of environmentally sound and sustainable development policies,

Recognizing the differences of outlook and priorities that exist as between global and regional ecological problems,

Gravely concerned at the increasing environmental degradation and contamination of ground and sea water, air and soil, at the over-intensive use of natural resources and at the rapid decline in biological diversity, frequently caused by policies and strategies which have failed to take environmental aspects into account,

Noting with satisfaction that ECLAC has amassed experience in the field of technical co-operation and is making considerable progress in the task of promoting the incorporation of the environmental dimension into development strategies, policies and processes in the region,

1. Assigns high priority to research into suitable methodologies and technologies for the solution of the serious problems caused by the rapid deterioration of the environment in the region in general and in its major cities in particular;

2. Invites the member countries of the Commission to co-ordinate technical and economic co-operation policies and strategies, so as to promote increasingly equitable and environmentally sustainable development models;

3. Stresses the need for close co-operation between all countries of the Commission, in particular through a broad exchange of information, scientific knowledge and experience in addressing global and regional environmental degradation by identifying, analysing, monitoring, preventing and managing environmental problems primarily at their source, in accordance with their national development goals, objectives and plans, so as to ensure that their development priorities are not adversely affected;

4. Also invites the countries of the region, through a joint effort, to contribute their most significant experiences to the preparation of the United Nations Conference on Environment and Development, especially through their participation in the regional meeting, to be held in Mexico City in 1991, to prepare for that Conference;

5. Requests the Executive Secretary of ECLAC to redouble his efforts to seek new proposals for forms of environmentally and socially balanced development that would be based on strengthening bilateral and multilateral co-operation among the countries of Latin America and the Caribbean;

6. Recommends that the Executive Secretary should provide, where possible, the support of ECLAC to countries which so request, so as to build up significant multisectoral lines of co-operation and research in the field of the environment, within the context of policies aimed at enhancing environmentally sustainable production patterns with ever-increasing equity;

7. Instructs the Executive Secretary of ECLAC to make provision in the budget for the biennium 1992-1993 both for new research and co-operation activities along the lines set forth above and for the permanent human resources needed to ensure the continuity of the Commission's action;

8. Urges the Member States of the United Nations and the intergovernmental financial agencies to make voluntary contributions to the funding of these activities.

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## 517(XXIII) PLACE AND DATE OF THE NEXT SESSION

The Economic Commission for Latin America and the Caribbean

Bearing in mind article 15 of its Terms of Reference and rules 1 and 2 of its Rules of Procedure,

Considering the invitation of the Government of Chile to hold the twenty-fourth session of the Commission in Santiago,

1. Expresses its gratitude to the Government of Chile for its very generous invitation;

2. Accepts this invitation with pleasure;

3. Recommends to the United Nations Economic and Social Council that it approve the holding of the twenty-fourth session in Chile in 1992.

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# ANNEXES

Annex 1

# REPORT OF COMMITTEE I */

## A. ORGANIZATION OF WORK

1. Committee I met on 3, 4, 5 and 8 May to consider items 3 and 4 of the agenda of the session.

2. Its Officers were as follows:

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| Chairman: | Bolivia |
| First Vice-Chairman: | Jamaica |
| Second Vice-Chairman: | Paraguay |
| Third Vice-Chairman: | France |
| Rapporteur: | Haiti |

3. The Committee had before it the following working documents: Changing production patterns with social equity. The prime task of Latin American and Caribbean development in the 1990s (LC/G.1601(SES.23/4)), Latin America and the Caribbean: options to reduce the debt burden (LC/G.1605(SES.23/5)) and International Development Strategy: some considerations from the standpoint of Latin America and the Caribbean (LC/G.1604(SES.23/3)).

## B. AGENDA

4. At its first session, the Committee adopted the following agenda for its work:

1. Election of Officers

2. Adoption of the agenda

3. Reactivation of the economic and social development of the region:

   a) Changing production patterns with social equity
   b) The external debt and options for reducing its burden

4. Structure of the international development strategy for the 1990s: some considerations from the standpoint of Latin America and the Caribbean.

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*/ This report was submitted to the Plenary as documents PLEN/7 and PLEN/7/Add.1.

## C. SUMMARY OF DEBATES

Reactivation of the economic and social development of the region (agenda item 3)

a) Changing production patterns with social equity

i) The main lines

5. The Deputy Executive Secretary presented a brief summary of the document Changing production patterns with social equity, highlighting its central proposals and the main economic factors that conditioned changes of that type. He expressed the hope that the document would serve as the basis for a comprehensive debate, both within and outside of ECLAC, on the development strategy to be pursued by the region. The proposal of the Secretariat had five basic elements: it adopted a long-term approach without disregarding the importance of short-term problems; it stressed the social and political dimensions of development, incorporating the objective of social equity as a key element of the proposal; it linked macro and microeconomic policies; it underscored the importance of domestic effort complemented by international co-operation; and it took account of variables that were often overlooked, such as the environment and demographic problems.

6. The basic ideas outlined in the document were that economic recovery was possible but there was a need to change production patterns; in that process of change, emphasis should be placed on the most dynamic sectors of international trade, which were those that most rapidly incorporated technical progress. In international markets there was a need for systemic competitiveness, since it was not the exclusive task of individual enterprises, as was the case within individual countries, but rather of national systems which included a set of economic and social factors that determined competitiveness; in view of that, the State should seek to promote and not inhibit competitiveness, bearing in mind its systemic nature. For their part, correct macroeconomic policies and appropriate relative prices were necessary but not sufficient for bringing about changes in the patterns of production with social equity: there was also a need for sectoral policies designed to overcome the inertia in the allocation of resources and expenditure. Education played a key overall role, since it promoted both growth and social equity, thereby justifying a central function of the State in that field; while although the external environment was a fundamental determinant of changing production patterns with social equity, it was not a pretext for inaction. Changing production patterns could not be sustained without social equity, and this called for redistributive measures and actions based on the restructuring of the patterns of production and of the development strategy. Change could be sustained only in a sustainable environment, and, finally,

the difficulties standing in the way of change created an urgent need for strategic consensus-building between the State and society as a whole in order to ensure the continuity of the required measures and policies.

7. With reference to the economic determinants of change in the patterns of production with social equity, he observed that the region's gross per capita product had declined more than its productive capacity, which had remained stagnant since 1983. That stagnation was associated with the falling off in investment to only 17% of the gross product, in contrast with savings, which had increased to more than 25% of that variable. The difference of 8 percentage points was attributable in approximately equal measure to net transfers abroad and to the worsening terms of trade.

8. The recovery in the level of investment needed to achieve a 5% annual growth rate was approximately US$70 to US$75 billion per year. Reduction of the net transfer of resources to zero would make available almost US$25 billion, and the restoration of the terms of trade to their 1980 level would yield a further US$23 billion. While it would be difficult to attain the latter objective in view of the sluggishness of international commodity markets, progress could be made in that direction through diversification and the incorporation of technical progress. Moreover, if growth could be increased by 0.5% above the levels of previous years through greater productivity, a further US$15 billion would be generated, leaving a balance of between US$10 and US$15 billion that would still be needed to achieve the required level of investment. The latter sum would have to be generated through an increase in domestic savings and external financing, but represented a level of financing which it should be reasonably easy to secure.

9. The set of measures aimed at achieving the above objectives, in both the financial and trade spheres, included the reallocation of resources and the attainment of greater efficiency and competitiveness through changes in the patterns of production with social equity.

10. The representative of Chile, after commending the Secretariat on its outstanding presentation of the document, said that it was a milestone in the history of ECLAC documents. Through it, ECLAC had resumed its historic role, presenting a new vision suited to the new conditions of international relations that could serve as a guide to the countries of the region. In an era in which economies were being dehumanized, ECLAC had proposed an approach based on social justice. That perspective was particularly important to Chile at the present time, and the new Government therefore shared the premise set forth in the document that it was possible recover development, in a setting of democracy, if production patterns could be changed while preserving social justice and equity. For Chile, it was of fundamental importance

to orient actions towards benefiting human beings. He welcomed the fact that ECLAC had taken such an approach.

11. Chile accepted the ECLAC appeal for a process of reflection on the proposal, both within and outside the Commission, and felt that it should represent a starting point for the implementation of national and regional policies in a context of international co-operation.

12. The representative of Haiti said that he shared the views expressed by the representative of Chile and congratulated ECLAC for the document on changing production patterns with social equity. He felt that its innovative approach filled a great gap in the Latin American sphere, where economic policies had often proved to be anti-social and imposed from outside. ECLAC had made a particularly effective effort to provide a framework for the new tasks which would have to be carried out in order to overcome the existing situation.

13. The representative of Venezuela joined the other delegations in extending congratulations to the Secretariat. He expressed the view that the new analytical framework and proposals of the Secretariat offered a viable alternative both to the ideas that prevailed in the 1960s, which were based on unrestricted State intervention, and to the new conventional wisdom.

14. In his view, the Secretariat document combined economic pragmatism with sensitivity to the need for social equity: an approach which also characterized the strategy pursued by the Government of Venezuela. That strategy, which had been outlined in the Eighth National Plan, designated "El Gran Viraje" ("The Great Turning-point"), acknowledged that it would be impossible to maintain the economic policy orientations that had been pursued in the 1980s since they condemned the country to a future of unemployment and poverty, against the background of an international situation characterized by an explosion of creativity. The Plan was designed to achieve both efficiency and equity, reflecting the ideas that were so well articulated in the ECLAC proposal. He drew particular attention to the concept of systemic competitiveness and to that of a social policy which provided not only for compensatory programmes but also for the creation of conditions that would permit any increase in productivity to be reflected in better conditions of life.

15. The representative of Mexico congratulated the Secretariat of ECLAC on the document which it had presented and stated that the analysis and the proposals it contained constituted a valuable basis for the design of a development strategy for the 1990s. The outset of the decade was a time of challenges which called for both a large social investment and the attainment of an appropriate position in the international economy by means of an increase in

competitiveness. The process of political détente should lead to greater co-operation among regions and blocs of countries.

16. The approach proposed in the document should be maintained, so as to link investment possibilities with the terms and conditions of external trade and of the external debt. From a Latin American standpoint, the new international development strategy should reflect a recognition of the need to make changes in production patterns with social equity in accordance with the circumstances of each Government and should emphasize an element of solidarity at both the regional and international levels. In that connection, he said that resolutions should be adopted favouring the smaller countries that had suffered the worst consequences of the crisis, one of which was Haiti.

17. The representative of Cuba said the document submitted by the ECLAC Secretariat represented a praiseworthy effort to redirect economic thinking in the region. The ideas it contained were of particular value after several years in which two kinds of positions had been held: a pessimistic position emphasizing the existing regression but not making any clear proposals, and a neoliberal position whose defenders had laid the major blame for the evils experienced by the region on State intervention and proposed that measures in keeping with their approach should be adopted. He felt that the document under consideration represented an attempt by the Commission to reassume its historical role in the realm of Latin American ideas and praised various aspects of it, including the timeliness and relevance of the strategy proposal and the fact that the document took a realistic approach and recognized the variety of situations which existed in different countries.

18. The document displayed a spirit which sought to reconcile objectives considered by many as being opposed, as for example the objective of changing production patterns by increasing international competitiveness in conjunction with the objective of social equity. The reconciliation of those two objectives was an important task in order to avoid possible contradictions between them. True social equity carried with it the obligation to effect social as well as economic changes, and an effective approach in that connection would be to aim to satisfy the basic needs of the region's population as a first priority.

19. With regard to other aspects of the Secretariat document, he said it could be further improved if broader coverage were given in the future to other priority issues, including the problem of adverse international economic relations and in particular the problem of the external debt, which was important because of the negative influence it had on the growth of Latin America and the Caribbean. Consideration should also be given to the region's agricultural problems, including the problem of land redistribution and that of the employment of rural labour in order to discourage the exodus which was traditional in the farm sector.

20. The representative of Argentina joined the other delegations in congratulating the Secretariat of ECLAC on the document and on its presentation. He was particularly pleased that the proposal was based on concrete examples and stressed the importance of promoting technological development with proper co-ordination between Governments and the business sector. He also underscored the need to intensify regional co-operation and integration as well as to implement regional development projects. In that connection, he drew attention to the Argentine experience in promoting integration with Brazil and Uruguay and to the joint projects with Paraguay, Bolivia and Chile that were in preparation.

21. The representative of the United States said that his delegation found the Secretariat document to be an extraordinarily professional piece of work, which could be a watershed in the way development was looked at. In sum, the document was an excellent contribution to the debate.

22. What was really impressive was the attitude the document projected: that things could be done to improve the situation of the region. It provided a valuable collection of practical ideas relating to such topics as educational policies, the need for a climate of competitiveness, stable macroeconomic policy, institutional linkages needed for technological development and measures to promote small and medium-sized industry.

23. His delegation was waiting with interest to hear details of the experiences of the different countries and was eager to learn which policies had met with success and which had not. One of the basic issues was how to determine what could be done to stimulate higher levels of domestic investment and to prevent investment capital from leaving the countries.

24. He noted that the document also stressed the problems experienced in the external environment and observed that since that was where the international community came in, his delegation was prepared to discuss that issue.

25. He ended his statement by saying that, in sum, the document presented pragmatic and concrete steps on what could be done. It was part of a growing consensus that the region could seize its own destiny: a spirit which had also been captured in the recent special session of the General Assembly on international economic co-operation.

26. The representative of Canada said that although he was aware of the difficulties faced by the region, he was encouraged by the broad consensus that apparently existed concerning measures for stabilizing the economy, which ranged from stringent economic measures to policies designed to develop a market economy and stimulate entrepreneurial creativity. His delegation was impressed with the main document of the Secretariat, which reflected a wealth

and diversity of experience and offered useful policy recommendations.

27. The new approach outlined in the document was bound to have a profound impact on the economic development of the region, and as the measures began to take hold, they were likely to have an effect on the outward transfers referred to in the Secretariat's document as well. They could be expected to have an influence on the rate of saving and total investment, including direct foreign investment. In that connection, his delegation wished to call attention to the importance of modernizing the legal provisions applying to foreign investment and of eliminating bureaucratic obstacles in that area.

28. His delegation was impressed by the strong and courageous measures taken by many Governments of the region and felt that those measures should lead to a marked improvement in the economic environment.

29. In his second statement on the topic, the representative of Chile commented on the ideas put forward by ECLAC concerning strategies aimed at development with equity, drawing attention to the need to establish a link between those strategies and political will. The new Government of Chile had incorporated its social policy into the economic process, marking a break with the past, when stress had been laid on macroeconomic indicators which, although positive, had been accompanied by a growing social deficit. As part of its new approach, the Government had established mechanisms designed to reach the more underprivileged sectors of society and had created a solidarity fund financed with both domestic and foreign resources.

30. He also referred to the importance of achieving greater productivity through the incorporation of technological advances. To that end, the new Government had established a technological development fund whose objectives included the provision of support for the generation, dissemination and adoption of new know-how in the country's industrial sector and the strengthening of the links between research centres and the entrepreneurial sector by co-ordinating their activities and by creating mechanisms for financing investment in new technologies.

31. He ended his statement by expressing Chile's desire to promote the exchange of experience with other countries of the region in the fields he touched upon and noted that his Government was seeking to apply operational strategies having similar goals to the strategy proposed by ECLAC.

ii) Economic aspects

32. The topic was presented in three parts by the representative of the Secretariat: in the first part he identified the questions

to be dealt with as well as the methodological approach adopted; in the second he outlined the contents of the proposals contained in the document, and in the third he drew attention to a number of considerations which could be useful in the meeting's discussions.

33. The aim of the Secretariat was to contribute to the search for responses to the following questions: Why was it urgently necessary to undertake profound changes in the pattern of development in Latin America? What should be the orientation of the next phase of development in Latin America? Finally, what policy guidelines were required to bring about changes in the desired direction? With respect to the method used to seek responses to those questions, he drew attention to the analysis of the situation in Latin America and the contrast between that situation and the experiences of other regions, the interdisciplinary approach and the combination of comparative studies, case studies and the incorporation of the perceptions of government, private and academic agents in the region. He noted that the methodological approach adopted reflected a conception of the development process as a complex phenomenon which was influenced by policies, institutions and economic, socio-political and cultural patterns of conduct that were inter-linked through a range of synergisms which were not always defined or foreseeable: in short, a complex process in respect of which available theoretical knowledge was still inadequate.

34. He reviewed the arguments presented in the document Changing production patterns with social equity which sought to justify the necessary and urgent need for change in the productive patterns of the region, drawing attention to some of the examples which illustrated and supported the viability of such change (chapters II, III and IV, section A). Those examples contained the recommended guidelines for changing productive patterns with social equity: enhancement of systemic competitiveness based on the incorporation of technological progress (genuine competitiveness), linkages between the various sectors of production and strategic consensus-building between the State and the private sector. He summarized the supporting arguments and the examples used to illustrate them (chapter IV, section B).

35. On the basis of those recommendations, the representative of the Secretariat presented the set of policy lines that had been proposed, taking into account the obvious specific characteristics of individual countries and the different objectives sought: international competitiveness, linkages among the different sectors of production and strategic consensus-building. With respect to the first objective, he stressed the importance of combining liberalization policies, technological support, education and training, and the expansion of the entrepreneurial base, and emphasized that they should be considered simultaneously. In connection with linkages among the production sectors, he stressed the importance of maintaining coherence at all times between the

institutional capacity of the public sector and the volume of activities undertaken at the sectoral level, referring to aspects and examples that related to industrial and agricultural policies, natural resources and the environment, physical infrastructural, producer services and the financial sector. With regard to strategic consensus-building between the public and private sectors, he drew attention to the general principles that had been suggested, the specific areas of action that had been proposed for the public sector and policy guidelines for public enterprises, small and medium-sized enterprises and the social sector of the economy (chapter V).

36. He drew attention to the new aims of regional integration and co-operation, the specific nature of that process in the European situation, the pertinent policy proposals and the crucial importance of strengthening the institutional basis of integration. In contrast with previous practice, integration would seek to promote insertion into the international community and not simply to expand markets for larger-scale import substitution. On account of that different approach, differences emerged in institutional policies and mechanisms, and the need arose to strengthen the role of private enterprise. At a more specific level, he drew attention to the importance for Latin America and the Caribbean of the dissemination of internationally available technology, complemented by a selective effort of innovation and the need to realize the potential of the region's generous endowment of natural resources by adding intellectual value. He adverted briefly to policies that were related to trade liberalization, technological development and the agricultural and industrial sectors, mentioning in passing the relevant examples. He noted, in conclusion, the importance of strengthening the institutional base of regional integration, and emphasized the future contribution that could be made by political forums which gave legitimacy to those efforts of regional co-operation (chapter VI).

37. In the third and final part of his statement, he drew attention to the following aspects: i) the realism and coherence of the proposal; ii) the priority attached to the objectives of competitiveness and social equity, which were considered essential complements; iii) the simultaneous contribution to the fulfillment of those two objectives through policies aimed at developing human resources and disseminating technological progress; iv) the urgent need to transform the State in order to adapt it to its new tasks; and v) the need to evaluate the economic and social aspects associated with that internal effort, together with the external and international dimensions, a subject which would be dealt with in future presentations.

38. The Secretariat representative concluded his presentation by reiterating the urgent need to examine the contents of the proposal, which was necessarily general in nature in the light of the wide diversity of national realities. It was with the

yardstick of each specific national situation that the proposal would be evaluated, adopted or rejected and, in any event, enriched.

39. The representative of Bolivia discussed various aspects of the document presented by the Secretariat. He found it particularly praiseworthy that the document did not purport to offer a single, universally applicable formula for the region but rather took the specific conditions in each country into consideration within the context of an interdisciplinary approach. Growth coupled with social equity was indeed a real possibility. Although it was true that each situation had to be dealt with on an individual basis, Bolivia had learned two lessons which should be heeded: that macroeconomic policies needed to be consistent in order to provide the stability that was an essential (although not the only) condition for growth; and that if a country wished to participate more fully as a member of the international community, it needed to make structural changes in its economy which would redefine the roles of economic agents and would, in particular, give the private sector a greater part to play in promoting growth.

40. In order to buttress those structural changes designed to permit the achievement of competitiveness on a permanent basis, countries needed to formulate sectoral policies to upgrade their economic and social infrastructure rather than relying entirely on the use of economic policy tools such as the devaluation of the nominal exchange rate, which in the long run might have a negligible effect or, indeed, even adverse consequences in that they might fuel inflationary pressures.

41. The representative of the United Kingdom found the document a stimulating and important piece of work. He welcomed its realistic and practical thrust, and its observation that there was no single formula for development. He also praised the emphasis given to the interlocking relationship between domestic economic policy and the external economic environment; even if the latter were wholly favourable, that situation could only be exploited if the domestic economy was responsive.

42. He welcomed the significant progress on economic adjustment made by many countries in the region. He underlined that difficult decisions on resource allocations could not be avoided. In order to address the problems of equity and social justice, he advocated action at the microeconomic level.

43. In his delegation's view, economic efficiency was best pursued by giving maximum scope to market forces. The role of the State was not to replace such forces, but to correct market failures --e.g., on environmental questions, on education-- and improve the operation of market signals. By strengthening the supply side, Governments could best set the conditions for growth. And by

reducing their own sometimes excessive claims on resources, Governments could maximize the allocative role of the market.

44. The representative of Jamaica observed that there was general agreement concerning the need for changes in the region's production patterns in order to meet the challenges of the 1990s. The ECLAC document provided some indications as to what actions the Governments might take in that regard in accordance with each country's individual level of development.

45. As far as Jamaica was concerned, some of the requirements were evident. The country needed a massive injection of funds for the training of human resources so that it might retrain and re-tool and thereby increase its productivity and competitiveness. It also needed to make progress in the field of science and technology and to foster greater co-operation between the Government and the private sector. Investment financing was another requirement; innovative mechanisms were called for, as well as policies to encourage domestic savings and foreign investment.

46. Transport links were another key area, since without efficient means of communication and transport it was impossible to compete at the international level.

47. The representative of Venezuela congratulated ECLAC on its proposal which, because it was devoid of ideological considerations, made it possible to postulate and discuss realistic solutions.

48. Venezuela's oil income had made it possible to put off carrying out adjustments and changing the patterns of production, so that now special efforts were required in those areas. The conflict between economic growth and social equity could be overcome in the medium term, but attempts to achieve macroeconomic balances might run into problems in the short term. As far as the social imbalances caused by that situation were concerned, the erosion of the State's role caused by the over-expansion of its activities should be stopped. The State had to reorient and rescale its role in order to become a factor capable of promoting and creating economic opportunities and setting up a reasonable and flexible system of social protection.

49. The programme embarked upon by the Venezuelan Government not only sought to achieve macroeconomic equilibrium but also covered trade policy and industrial reconversion. Trade policy --in terms of tariffs and quantitative restrictions-- was designed to reduce the anti-export bias of the economy, promote competition and combat oligopolies or monopolies. He highlighted the importance of the sequencing and speed of policy application, which was the subject of considerable debate in Venezuela, as well as the need to hold fresh consultations in order to achieve far-reaching institutional changes.

50. With respect to industrial policy, he highlighted the links between the process of reconversion and investment promotion, noting the difficulties standing in the way of achieving a rapid recovery in investments. He referred to Venezuela's former sectoral economic policy and its present neutral approach, as well as the impulse given to a positive interaction between the Government, workers and entrepreneurs. The last-mentioned had a crucial responsibility as regards competing more actively and committing their own resources.

51. What was required to reverse the unfavourable terms of trade, were export products that incorporated technological advances or new types of value added within a macroeconomic framework that facilitated rather than impeded exports. There was no need to distinguish between promoting genuine and spurious competitiveness, since devaluations and cheap labour no longer served as a means of promoting exports. The foregoing raised the need to train human resources, for which, in view of the considerable current deficits, priorities should be established. In Venezuela, priority was being given to primary education through attempts to prevent pupils from dropping out of school, improving teaching and establishing new guidelines for educational management. Finally, he highlighted the importance of the Regional Conference on Industrialization in Latin America in the 1990s which was due to be held at the end of the present year, noting that it could serve as a useful forum for exchanging experiences on industrial policy among countries of the region.

52. The representative of Spain, after congratulating the Chairman of the Committee and praising the document Changing production patterns with social equity, said that he agreed with the content of the document and drew attention to the noteworthy consistency between the proposals it contained and the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, recently adopted by consensus by the United Nations General Assembly. He noted the realistic, frank and pragmatic nature of the content of the proposals and their contribution to generating a Latin American consensus.

53. He went on to underline the similarity between the topics dealt with in the document and the global agenda to be considered by the United Nations in the next few years, including areas such as the environment, trade and development financing. Lastly, he expressed his delegations's agreement with the proposals put forward for modernizing the Latin American economies, including regional initiatives, which should return to a more specific focus with regard to the availability of natural resources. In the context of the United Nations system, which he felt the present session promisingly exemplified, his delegation's final conclusion was that political peace, stemming in part from the recent relaxation of tensions and the Secretary-General's initiatives, was

inseparable from equitable development. That, in sum, would be the challenge of the 1990s.

54. The representative of Venezuela emphasized the relevance of the document in question, observing that its line of reasoning pointed in the same direction as did the course of events in the region. He asserted that macroeconomic adjustment was a precondition for changes in production patterns, and stressed the idea of systemic competitiveness and the importance of ensuring a leading role in the economy for the private sector. It was vital for Venezuela to create a "market climate" which would motivate the entrepreneurial sector to assume risks, while at the same time doing away with State paternalism and proceeding with the transformation of the State. Such a transformation ought to permit an expansion of the supply of public educational and health services, as well as encouraging foreign investment, whose contribution to technological progress should be duly recognized.

55. The representative of Chile referred to a number of important aspects of the ECLAC proposal. Methodologically, that proposal had quite rightly been constructed on the basis of the actual conditions in the region, and the idea of making a systemic model permitted the harmonious interconnection of the four main elements which had previously seemed to be separated from each other: technical progress, competitiveness, equity and growth.

56. With regard to the policies needed in order to change production patterns, there were three main aspects. Firstly, in order to improve human resources and defend technical progress, it was essential to modernize technical education and give it a higher social status. Secondly, it was also necessary to modernize the role of the State as the promotor of private enterprise, in which connection the topic of regionalization --which was not dealt with in much detail in the document-- could make a valuable contribution. Finally, the new kind of integration proposed in the document, which gave higher priority and importance to intellectual content rather than natural resources, opened up a new path for the development of the region.

57. The representative of Argentina congratulated the Chairman on his election and the Secretariat on the quality of the documentation it had presented. He then went on to discuss the subject of technological innovation.

58. Although he recognized how difficult the countries' shortage of economic resources made it for them to devise viable technological innovations, Latin America nevertheless ought to take full advantage of the opportunities open to it, especially in terms of the exploitation of its natural resources. An awareness of those opportunities should be the basis upon which the orientation of policies on technological innovation was determined.

59. Such policies, be they national or regional, required the support and collaboration of industrialized countries. Hence, inasmuch as ECLAC included both developed and developing countries, it was an eminently suitable forum in which to address those questions.

60. The representative of France expressed support for the basic contents of and the approach taken by the document entitled Changing production patterns with social equity, emphasizing its pragmatic spirit and the stress it had laid on systemic competitiveness and on the need for development which was rational from an ecological point of view. He drew attention to the salient feature of the proposal contained in the document, which was centered on mankind and on social justice --subjects which were of constant concern to his country. He also noted that the original, realistic development strategy presented by the Secretariat to the international community for its consideration had come at a very opportune moment. The East-West détente could make a positive contribution to the dialogue between North and South in a context which was fresh and positive, and he noted that France would provide resolute support for such an initiative.

61. The implementation of the growth strategy referred to, in a climate of social justice, would necessarily have to take place in a context in which the role of the State was reappraised with a view to constructing what might be termed a "balanced mixed economy", which was a very different thing from "untamed liberalism" or "creeping statism". He also stressed the importance of acknowledging individual national characteristics and of regional integration in so far as the requirements for and objectives of changing production patterns were concerned. Finally, he noted that France was committed to supporting co-operation in different fields as well as to the success of the strategy proposed. That support was only a reflection of his country's permanent stand with regard to co-operation with developing countries in such areas as indebtedness, development financing and trade.

62. After congratulating the Secretariat on the document Changing production patterns with social equity, the representative of Brazil highlighted three aspects of the topic of technological progress and competitiveness. Firstly, he mentioned the need to emphasize that technology was an economic good in itself and an economic activity of high value: not, as often happened, a mere preliminary to the production process which existed in spheres far apart from those of production proper. That notion had obvious implications for the issue of the international transfer of technology. Secondly, with regard to the linkage mechanisms between the public and private agents in the field of technology, he stressed that in the developed countries there were systems of socialization of costs, and he considered that that approach was a valid one for Latin America too. Finally, he said that in future

studies he would like to see emphasis on the links between technical progress and employment. The idea would be to neutralize in this manner the frequent fears that the former was likely to adversely affect the latter. International experience suggested that changing patterns of production, while modifying the structure of employment, actually helped to permit its expansion.

63. After congratulating ECLAC on the document it had presented, the representative of the SELA secretariat informed the meeting about the Regional Conference on Industrialization in Latin America in the 1990s, which was to be held in November 1990 by mandate of the Latin American Council of SELA, with support from ECLAC, UNIDO and IDB. ECLAC would propose a scheme of strategies and policies; UNIDO's contribution would take the form of a programme of technical co-operation to support those proposals; IDB was to address the question of financing; and SELA would devote its attention to a baseline analysis of Latin American and Caribbean industry, regional co-operation and consensus-building among the agents taking part in the industrialization process. The approach to be taken to the preparatory work for the conference, in support of the countries of the region, would thus give full expression to the concept of a Latin American system.

64. The representative of UNIDO commented favourably both on the document Changing production patterns with social equity and on the reactions of the various government representatives to it. He said that after the proposal made by ECLAC had been approved by the Governments, it could become a framework for action in order to orient international technical co-operation for development in Latin America and the Caribbean. With specific regard to UNIDO he drew attention to the concurrence between the priority issues contained in the 1990-1995 medium-term plan of that organization and the agenda proposed by ECLAC, in which he had noted the incorporation of the issues of technological progress, human resources, industrial rehabilitation, the strengthening of entrepreneurial capacity, particularly in small and medium-sized enterprises, the mobilization of financial resources, energy and the environment, and co-operation among developing countries. In conclusion, he reiterated the importance which his organization attached --through the Joint ECLAC/UNIDO Industry and Technology Division-- to co-operation with ECLAC and the support of UNIDO for efforts undertaken jointly with SELA, ECLAC and the IDB in preparation for the forthcoming ministerial conference on new industrialization policies for the region.

65. The representative of Ecuador congratulated ECLAC on the document and the way it had been presented. He was of the view that the flagging growth of the Latin American economy was due to the exhaustion of the development model, the impact of the international crisis and the current adjustment policies, both orthodox and unorthodox. That situation was reflected in a growing social debt, as manifested in such ills as more unemployment and

underemployment, lack of housing, loss of purchasing power of wages, poverty and malnutrition.

66. He acknowledged that the international strategy should take account of the international situation, the realignment of power, the persistence of the international crisis, technological development and the particular situations of individual countries.

67. The regional development strategy should accentuate the general orientation of the proposal with regard to redefining the role of the State, the role of planning and of the market, regional development, adjustment with reactivation, the payment of the social debt and the yields from the industrial base, technological development and the strengthening of participatory democracy.

68. At the external level, the proposal should seek to redefine international relations in order to promote the insertion of Latin America into the international context, while at the domestic level it should seek, at the same time, to promote measures that would develop the industrial base and promote better income distribution while expanding employment. In order to bring about changes in production patterns, financing at the domestic level would require basic reforms in monetary, financial and fiscal values and, at the external level, the strengthening of international co-operation and progress towards finding parallel solutions to the problem of the external debt. Moreover, the change in production patterns should be accompanied by social changes in order to expand domestic demand and improve living conditions in society.

69. Within the context of changes in production patterns, emphasis should be placed on the real and potential possibilities of the countries and on identification of the characteristics of the domestic market; consolidation of the existing export base by promoting greater competitiveness in the manner proposed by ECLAC and venturing into new areas of participation in order to foster industrialization starting with the production of intermediate goods; and ensuring that the technological process was understood as a process of progress, change or assimilation of technology.

70. In conclusion, he laid great stress on the importance and new direction of integration as an instrument of support for changes in production patterns.

71. The representative of Mexico said that there was much in common between his Government's views and the Secretariat's proposal. In that connection, he fully agreed with the systemic view of competitiveness. His Government welcomed the Secretariat's proposals for future work along the lines of its current proposal with a view to the application of the latter to the situations of the different countries and subregions.

72. The statements of the representatives of SELA and UNIDO showed the interest that existed among international agencies regarding co-operation; SELA, for example, had readily accepted the analyses and recommendations of ECLAC. Such attitudes avoided duplication of efforts and helped the region adopt the same line of thinking. The widespread agreement generated by the ECLAC document brought to mind the fact that the recent meeting of CEGAN had stated that international co-operation, the International Development Strategy and the activities of multilateral agencies should be in conformity with the views of the Latin American and Caribbean countries and with their development plans and programmes, as well as with the proposal for changing production patterns with equity.

iii) Social aspects

73. The Secretariat representative began by saying that the document Changing production patterns with social equity showed a great deal of concern about the recent social evolution of the region, as expressed in such processes as the increasing underutilization of the labour force and more and more people living in poverty. After presenting some figures on those processes, he said that the major thrust of the document was to provide criteria for undertaking action in two directions: on the one hand, to raise the level of international competitiveness and recover economic growth, and on the other, to raise the levels of productivity and living conditions of the 44% of the population currently living in poverty. Past experience had shown that it would be wrong to think that economic dynamism alone would be enough to improve social conditions satisfactorily, or that such improvement could be achieved without a systematic and long-term effort to incorporate technological progress. Each of those objectives could be fulfilled through specially tailored conditions and policies; the most appropriate, concrete way of formulating them would depend on the situation in each country. In any case, approaches in which pro-equity actions were regarded as much less important than, and subordinate to, activities for raising international competitiveness should be rejected in favour of approaches in which the quest for equity defined the very nature of the changes made in production patterns.

74. In relation to political factors, he stressed that the proposed development strategy could not be implemented without the grounding provided by a stable, democratic political order. He noted the difficulties confronting the current process of regaining and strengthening democracy in the region and the need to address the profound structural causes of those difficulties, which stemmed primarily from economic stagnation, social inequity and the persistence of an extremely unequal distribution of power.

75. The reinforcement of a democratic political order included two sets of interrelated actions. Democratic institutions would first have to be strengthened and stabilized, which would mainly involve

ensuring equality of rights and promoting the full participation of the population in preparing and taking public decisions. Secondly, governmental capacity to implement democratic decisions would have to be enhanced, a capacity which had been undermined in recent years by various external and internal factors. As both processes moved forward, the countries' ability to carry out collective, democratically organized actions --perhaps the main political condition for implementing the proposed strategy-- would be strengthened.

76. The representative of Chile said that the statement by the representative of the Secretariat highlighted the main concern of the Governments of the region: namely that economic development had often been given priority attention at the expense of important aspects of social development. His country's new Government had begun to adopt the measures proposed in the document and considered the reconciliation of democracy, economic development and social justice to be a challenge. In that connection, the President of the Republic of Chile had just declared, on International Labour Day, that without social justice there could never be stable democracy nor economic prosperity.

77. After a long and difficult process, his country had achieved a measure of national consensus that augured well for the solution of the existing difficulties. Chile had a social burden which was difficult to overcome, but at the same time there was a desire by all concerned to arrive at a consensus. That desire had already been manifested in both the broad agreement between the Government and the opposition regarding tax reform which would make it possible to increase social spending on health, housing, education and other needs, and the historic social and labour pact between employers' and workers' organizations.

78. The adjustment policies had caused social instability, and no matter how great the internal effort was, it would not be sufficient to overcome it. Consequently, international co-operation was most essential, and ECLAC should provide the framework for such co-operation.

79. The representative of Haiti said that the structural constraints that affected most of the countries of the region would cause, at least in the short term, social imbalances as a result of the changes in production patterns brought about by scientific and technological modernization. Unemployment and underemployment would certainly worsen and have adverse political consequences. Therefore, the equity hoped for in conjunction with changing production patterns seemed to be something of a utopia, at least in the short term.

80. In order to minimize the adverse social impact of such changes in the short run, considerable social investments would have to be made, but many countries of the region had a very limited domestic

savings capacity. Under such circumstances, the current international economic climate had to be taken into account, especially the changes in Eastern Europe, which meant that greater attention would probably be devoted to North-North relations at the expense of North-South relations. Thus, the 1990s could be as troubled as the 1980s, and regional co-operation was therefore a must. The current challenge facing the region was the international scenario, to which ECLAC should devote priority attention.

81. The representative of Colombia praised the document presented by the Secretariat, noting that it was fully in keeping with the role played by ECLAC in fostering creative thinking about economic and social matters in the region.

82. In discussing the situation in his country, the representative observed that the adjustment of the Colombian economy carried out during the mid-1980s, although necessary, had exacted a high social cost. There could be no social change in a situation of economic stagnation; nor was it acceptable to have economic growth without a reduction of social inequalities. Accordingly, the present economic plan provided for both.

83. Colombia's social development policy altered the State's action priorities so as to focus a greater share of such action on the most vulnerable sectors of the population. Its economic policy sought to boost production, create more jobs and expand the economy outward towards the international market.

84. In view of the structural distortions in the distribution of income and wealth in the countries of the region, they would have to make reforms in many areas of national life in order to restructure their production apparatuses.

85. In closing, he noted that although the countries of the region might place varying degrees of emphasis on economic growth or social equity at given points in time, both components were necessary in order to bring about changes in production patterns.

86. The representative of Venezuela said he agreed with the overall approach of the Secretariat document, in which the economic and socio-political aspects of growth with equity were viewed as a whole. The scenario in which the region was now living called for sacrifices on the part of the low-income population sectors, and those sacrifices should be offset by the provision of increased support for those sectors by modernizing the State institutions concerned with labour conditions, broadening and developing democracy, promoting social consensus-building and ensuring that the State encouraged the participation and independent action of social organizations.

87. Even within the context of the existing economic constraints, which made it difficult to improve wages, there was need for a social policy which guaranteed a certain minimum amount of protection for the unemployed (as in the case of involuntary unemployment benefits in Venezuela), made social security more effective and generated new jobs by promoting co-operatives and by developing modern industry, furthering tourism and providing a special impetus for small and medium-sized industry.

88. He also drew attention to the need to design training programmes with the participation of employers and workers and to restructure the State apparatus by rescaling and decentralizing it. Privatization programmes should not affect the established rights of workers but should safeguard their guarantees so that government policies had the social support they needed.

89. Regional integration called for new levels of dialogue and for the harmonization of national legislation in the labour and social welfare fields.

90. In the final analysis, what was essential was to compensate for the sacrifice required from the whole of society by providing better services in the short term, since any benefits which might be received by changing production patterns would really be forthcoming only in the medium and long term.

91. The representative of Bolivia said that it was inevitable that the heaviest repercussions of the monetary and fiscal adjustment processes would be borne by the poorest strata, especially because those processes tended to reduce government subsidies on various mass consumption goods and services. The application of those adjustment programmes had been based on the hope that they would introduce a certain amount of stability which would provide the basis for processes conducive to future economic growth.

92. The adverse social effects of the adjustment policies were, however, making it necessary to carry out social reforms to help soften those effects. The Government of Bolivia had established an emergency social fund, which had given very good results and had served as an example for the creation of similar institutions in other countries. That type of fund made it possible to relieve the effects of adjustment in the short term while structural measures paid off in the medium and long terms.

93. The representative of Cuba said that he fully approved of the emphasis placed on social equity in the document on changing production patterns. The Government of his country had, through direct participation by the State, attached great importance to social policy, which had resulted in significant achievements in a number of areas, including reduced infant mortality, increased life expectancy at birth, social security and free medical coverage for the whole population: fields in which the public sector had

made substantial investments, especially in order to gain access to the most advanced health techniques. Education, which was also supported by State resources, had progressed notably in the years it had been run by his Government, which had decreed free and mandatory schooling up to ninth grade. His country had worked disinterestedly with many developing countries, passing on to them the experience it had acquired and the advances it had achieved in those social areas. For all those reasons, he felt that the degrees of social equity it had been possible to attain had been due solely to firm and decisive State intervention, which would continue in the future.

94. The United States representative commented on both economic and socio-political aspects of the document presented by the Secretariat. In relation to growth, he mentioned that one of the striking features of the document was that it reflected a broad consensus on the need to depart from the economic policies of the past. A key element of that consensus, which had been arrived at on the basis of the experience of individual countries, was the need for economies that were internationally competitive, open, outward-oriented, and in which both macro and microeconomic policies favoured the growth of the private sector. A reduced but supportive presence of the government sector was also mentioned.

95. Regarding the role of the State, he said it must give proper foundations for human and social development, such as education, health and pluralistic democratic procedures, establishing an overall economic environment that encouraged growth and entrepreneurial activity. Some specific elements of that new role were stable fiscal and monetary policies, incentives to more competitive markets, including open foreign trade, and promotion of investment, both from internal and from external sources. He concluded his statement by reaffirming his country's commitment to international co-operation for strengthening the development efforts of the Latin American and Caribbean countries.

96. The representative of Ecuador congratulated the Secretariat on the document presented. In the first part of his statement, he referred to the role of Latin American economic thought in the 1960s and 1970s, noting that in the 1980s the economy and thinking of the region had entered into crisis, and concern for economic and social development had been relegated to a secondary position or even abandoned. The application of short-term adjustments had aggravated the social situation of the countries of the region.

97. He explained that he had made those remarks in order to highlight the importance for Latin America of taking a fresh look at the subject of development and rediscovering the direct links between the need to alter structures and change production patterns, on the one hand, and social considerations viewed as essential components of development, on the other.

98. The quest for social equity necessarily involved reformulating ideas concerning the role of the State, whose dimensions should be altered; acknowledging the role of planning as an instrument of government; encouraging participation and social organization so that political plans would enjoy broad social support, and refocussing the participation of political parties so that they became factors which contributed to development rather than promoters of political clientage.

99. The main aim of social equity should be the welfare of the so-called high-risk population, since it constituted approximately a third of the population of the region; there was also a need to design adjustment policies which ensured revitalization. He also noted the central components of social development needed to be identified within the regional strategy and suggested that the areas of social debt should be regarded as including employment, wages, basic services, housing, education, protection of minors, malnutrition, infant mortality and the like. Finally, he referred to some possible sources of social development financing.

100. The way the economic policy of Ecuador was now implemented was compatible with social development: indeed, soon after entering office, the Government --in an effort to meet its social debt commitments-- had bent its efforts to the creation of the required administrative/technical infrastructure and the identification of programmes and creation of funds for meeting its social expenditure.

101. The representative of Chile expressed concern, with respect to the social development linked with changing production patterns, about the particular situation of working women. Although the increase in the labour force had been largely attributable to the incorporation of women, it could not be said that their involvement in changing production patterns had taken place in a context of social equity. It was therefore suggested that special attention should be devoted to the participation of women when considering the subject of changing production patterns with equity.

b) <u>The external debt and options for reducing its burden</u>

102. The representative of the Secretariat said that the underlying theme of the document was that the external debt problem was clearly systemic in nature --it concerned the entire international community. When a systemic type of financial problem arose in national markets, the most typical response was to socialize the problem through direct and massive intervention of the public sector. Thus, in return for sacrifices and adjustments on the part of both creditors and debtors, the government took on the risk of guaranteeing a major compensatory financing plan for bodies with problems.

103. From that point of view, the Brady Plan was a considerable step forward in conceptual terms: one of its main aims was to reduce the debt, and it also had gone further towards recognizing the systemic nature of the problem by openly declaring for the first time the willingness to actively support the reduction of the debt, using public resources of both a financial and institutional character. However, the Plan's effectiveness had been marred by at least three serious drawbacks: i) inadequate public funds had been committed for supporting voluntary debt reduction operations; ii) there was inadequate public co-ordination of the debt reduction processes; and iii) there was some inflexibility in the administration of official funds earmarked for financing debt agreements.

104. The above-mentioned problems were serious, and they had even given rise to forecasts of the demise of the Plan. Nevertheless, it must be borne in mind that many aspects of the Brady plan were conceptually correct and that it was premature to write it off, especially since it was a reality and was being applied in the region.

105. In view of the fact that several countries of the region had negotiated or were negotiating within the general framework of the Brady Plan, the Secretariat wished to put forward for discussion six modifications which could help to overcome the shortcomings observed. They were: i) trebling of the resources available for supporting voluntary debt reduction, to a total of US$90 billion; ii) extending the Plan's scope to include the Paris Club debt; iii) establishing new mechanisms to assuage the burden of debt service owed to multilateral lenders; iv) greater flexibility in the allocation of official resources for debt reduction; v) accelerated elimination of certain legal, regulatory, accounting and tax obstacles to debt reduction; and vi) more assertive and transparent application of the new IMF policy concerning financial assurances from the private banks, so that the latter could provide more effective support for debt reduction and economic growth in the countries of the region. It was also felt that the Brady Plan could achieve its objectives more efficiently and at lower cost to the creditor governments if it were converted into a special debt conversion mechanism.

106. On considering the above modifications, it was recognized that a lasting solution by consensus to the debt problem required a substantial input of public funds and that there were considerable political and financial obstacles with respect to mobilizing such funds. Finally, the document examined the situation of many countries which, faced with a situation of an excessive outward transfer of resources, had felt it necessary --in the absence of an effective consensual solution-- to introduce unilateral debt service restrictions. In the light of the region's experience, it was observed that in some circumstances such restrictions could

serve as a temporary second-best solution to the problem of the debt overhang and excessive outward transfer of resources.

107. The representative of Chile, after thanking the Secretariat for its efforts in preparing the document, focused his comments on an assessment of the Brady Plan, the prevailing mechanism for dealing with the external debt problem. In that context, he noted that the Plan was merely a reflection of what the debtor countries themselves had been doing, citing as examples Mexico and Chile, which had been applying innovative mechanisms even before the Plan, such as market discount bonds in the former case, and, in the latter, exchanges of debt for discounted bonds and cash buybacks of the debt in national and foreign currency. The formulation of the Plan incorporated those and other mechanisms created by the countries themselves, and their value lay precisely in their dynamism and in the fact that they provided the official financial resources to collateralize the capital and interest payments on the new bonds and for direct buybacks of the debt on the secondary market. Precisely in the light of the aforementioned Mexican and Chilean experiences, the lack of official capital proved to be an obstacle to continued operation in the private market in each country. Each renegotiation process introduced innovative formulas, and the Plan, thus understood, should therefore continue to be supported by the debtor countries.

108. He also made some suggestions about the contents of the document. Emphasis should be placed on making the Plan more transparent and operable so as to prevent countries from feeling left out. He expressed concern at the proposal that the International Monetary Fund should be the official body which determined the ability to pay of the debtor countries, in that it created a new conditionality and might affect the desired flexibility of the Plan, which was precisely the aim of the second proposal. With regard to multilateral debt, he noted that it was a highly sensitive issue because resources formerly destined for specific projects might be diverted for use in renegotiations. A possible alternative might be the creation of a special "window", since the other suggestions would probably not be well received by the respective agencies. Nor was he in favour of regarding as a negotiation strategy the unilateral withholding of payments, which affected the credibility of the countries in the voluntary credit market and in the attraction of foreign investment. He drew special attention to the relationship between debt and trade, and to the absolute necessity of fighting trade barriers so as not to frustrate efforts to increase and diversify exports, one of the ways of generating resources for the development of the countries and for the service of the external debt. Lastly, he noted that the excessive commissions charged by creditor governments for export development credits sometimes even prevented them from being used by the beneficiary countries.

109. The representative of Venezuela, after congratulating the Secretariat on the document, said that the situation surrounding the refinancing of the Venezuelan debt was encouraging in that it showed how the difficulties involved could become not only positive but also useful circumstances in dealing with the administration of country policies. Indeed, the Venezuelan debt, which had formerly represented a disadvantageous and burdensome situation in terms of the nation's economic development, had turned into the most powerful instrument of political change and institutional modernization ever available to any Government in the past 50 years. The debt negotiation process had made it possible to develop a whole international network of technical and political support and co-operation between Venezuela and a series of international agencies, by incorporating and integrating the agencies' activities and influence into the economic adjustment policies and programmes undertaken by the current Administration.

110. The above-mentioned process had been launched when the real implications of the debt had begun to be perceived, and when its political elements were given the importance they deserved as compared with its economic and financial aspects. The change in perspective coincided with or emanated from the formulation of the Brady Plan, which was primarily important because it reflected the international community's acceptance that the debt problem could be solved only by devising a political plan, in consultation with international agencies, to pinpoint areas of agreement between debtors and creditors. That was what had been achieved in the agreement reached with the creditor banks, i.e., an agreement on general principles concerning a set of options for the subsequent and specific negotiation with each bank.

111. While the original agreements with the multilateral agencies had been decisive in the results of the negotiations, the bilateral agreements established with Governments and agencies of other countries --agreements which in some cases were resulting in a flow of capital into the country and, in others, were providing technical assistance to back up the Government's domestic actions-- were no less important.

112. In conclusion, he said that a mixture of multilateral and bilateral actions combined with internal adjustment programmes had made the refinancing agreement possible and was enabling Venezuela to have access again to international markets.

113. Although the agreements reached with multilateral agencies had been a decisive element in the developments described, the bilateral agreements reached with institutions and countries, which had resulted in a flow of loans, technical assistance or political support for the Government's action had been no less important. Thus, a combination of multilateral and bilateral action and internal adjustment had enabled Venezuela to regain access to international credit markets.

114. The representative of Cuba acknowledged the efforts and material and human resources which ECLAC had devoted to evaluating the Brady Plan. The Latin American and Caribbean countries, in the framework of SELA, were planning to hold a regional conference on the external debt in June 1990, at which it was expected that a new proposal would be put forward by the 26 debtor member countries of the Commission. He was convinced that ECLAC, with its usual efficiency, would also carry out a detailed and thorough evaluation of the proposal which was expected to emerge from the SELA conference.

115. The representative of Jamaica, after commending the Secretariat on the document presented, said that her delegation had been unable to obtain comments on it from Jamaican debt experts, owing to problems of communication. After describing the contents of the document, she noted that debtor countries were transferring huge amounts of resources abroad, thereby limiting their expenditure on social and economic infrastructure and services.

116. In the case of her country, debt service payments were consuming almost 50% of total exports of goods and services. In her view, the solution to the debt problem required a plan which would arrest the continuing reverse flow of capital from developing countries. A more dynamic and stable international economic environment, increasing access to markets, better terms of trade and more stable exchange rates were conditions that needed to be realized in order for debtor countries to achieve sustainable and balanced economic growth.

117. The representative of the Netherlands said the two reports of the Secretariat, Changing production patterns with social equity and Latin America and the Caribbean: options to reduce the debt burden were intimately related: one could not go without the other.

118. The Netherlands saw the following guiding principles for the debt problem: i) a broad restructuring of the debtors' economies, ii) provision, by multilateral institutions, of adequate resources for debtors, iii) promotion of a truly open trading system and iv) burden sharing, in which commercial banks also took a part in resolving the debt crisis fairly.

119. As for the ECLAC debt report, it was right in pointing out that there were gaps in the present thinking about debt management. It was correct to state that to tackle the debt problem more financial resources were needed. Thus the first proposal of the report to triple available official resources to US$90 billion was a logical conclusion. The Netherlands also was inclined to favour the proposal to reduce the Paris Club debt. Meanwhile, the proposal to accelerate modification of the regulatory, accounting and tax codes was a more complicated proposition than the report suggested.

120. Even though the other proposals were not commented upon, that did not mean they were rejected by his Government. Indeed, they would be carefully studied, and no doubt those and other points in the document would be part of the coming international debate on debt management.

121. Some issues remained, however, which were not fully addressed in the ECLAC report. If official resources for debt reduction were tripled to US$90 billion, and the countries still failed to grow, that would cause a great problem for the multilateral lenders. That potential problem raised the issue of conditionality, which could not be avoided in a report on debt.

122. In sum, the ECLAC report was a timely and welcome contribution to the international discussion which was presently going on in the Bretton Woods institutions. The report would certainly have an impact on those discussions.

123. After expressing his congratulations once again to the Secretariat on the document presented, the representative of Ecuador went on to refer to the external debt problem of his country. He said that the salient features of the economic situation of Ecuador were the fall in per capita income, the deterioration in the terms of trade, the natural disasters which had scourged the country, high inflation, a high interest/exports ratio and other very important indicators. All those factors together ruled out the possibility of a conventional solution to the debt problem.

124. In those circumstances, the Government of Ecuador was seeking a permanent solution to the debt problem, basing its negotiations on criteria of efficiency, mutual co-operation, justice, practicality and flexibility. The objectives of its strategy were to reduce the debt service to a level commensurate with the balance of payments situation and economic growth, to stabilize the economy and stimulate the external sector, to bring the debt reduction into line with economic policy and to bring Ecuador back into the voluntary credit markets by normalizing its relations with its international creditors.

125. In conclusion, he said that he shared the concern already expressed in the meeting regarding the sensitive topic of the multilateral debt. He noted that with regard to the question of the unilateral restriction of payments, the partial payments of interest being made by Ecuador were not a negotiating strategy but merely a faithful reflection of the country's capacity to pay.

126. The representative of Brazil congratulated the Secretariat on the document it had submitted on the subject of the external debt. Once the main objectives of the new Government's stabilization plan had been achieved, Brazil was scheduled to begin a new round of negotiations with both its private and its official external

creditors. In those negotiations, the experiences of other Latin American countries would of course be taken into consideration within the framework of the new international initiative on the debt.

127. He expressed support for what the representative of Chile had said with regard to the possible role of multilateral institutions in the definition of the payment capacity of countries. That task could hardly be left in the hands of a single institution, since it might turn it into a new aspect of conditionality. It would be better to define the capacity of payment of countries within the framework of the Brady Plan, providing safeguard clauses for negative contingencies, in the case of the trade balance, for example.

128. The representative of France noted that his country had recently adopted two important measures in the quest for a solution to the debt problem. First of all, France had contributed to the Toronto summit agreement aimed at reducing the debt of the least developed Paris Club debtor countries. In that context the Bolivian debt had been lowered, and the same mechanism would soon be applied to other countries of the region. The second initiative had been announced by the President of France in a statement before the General Assembly and, together with the measures taken by Japan and the United States, had led to the formulation of what was known as the Brady Plan. He underlined the importance of the steps adopted for repatriating capital and foreign investment to the developing countries, which would make possible sounder financing of growth.

129. He then referred to a number of specific Secretariat proposals. With regard to the debt contracted with the Paris Club, he noted that, in order to promote growth, current debt-reduction techniques would have to be accompanied by complementary measures. Additional funds must be obtained: to that end, the present Paris Club strategy favoured consolidation, which actually amounted to the provision of fresh credits; that was how Brady-style agreements had been reached with the Philippines and Mexico. His country was in favour of equitable treatment of public and private debt and had adopted important fiscal measures to encourage banks to participate in the debt-reduction process, which involved considerable costs, part of which were transferred to the public sector.

130. With regard to guarantee funds, France was endeavouring to make the procedures more flexible and apply pragmatic criteria. He called for caution in respect of the total volume of guarantees, since a comprehensive evaluation would be premature. As for payment arrears owed to IMF, he noted that delinquency reduced the amount of resources available to the other countries of the region, not to mention entailing risks to the multilateral agencies themselves, and that the Paris Club had intervened in support of

the Fund-monitored programme arranged in order to bail out Guyana vis-à-vis the Bretton Woods institutions. Lastly, he said that his country was in favour of a case-by-case solution so that due account could be taken of the special conditions of each debtor country.

131. The representative of the United Kingdom agreed with the Secretariat document's recognition that the Brady Plan was a step forward in international efforts to deal with the debt problem, that its application must be broadened, and that greater efforts were required to improve the cash flow to debtors. He welcomed the document's acceptance of the principles underlying the Brady strategy. However, he pointed out that it was too early to fully evaluate the achievements of the Plan, since it was just over a year old.

132. He gladly recognized the efforts made by many countries in the region in the difficult but essential area of structural adjustment. Debt reduction alone was not sufficient for achieving stable and sustainable growth. Countries must also pursue appropriate macroeconomic policies and supply-side adjustments to eliminate structural rigidities. The Venezuelan delegation had outlined the promising adjustment measures recently taken in Venezuela, and they constituted a good example.

133. He noted that the main part of the region's debt was owed to commercial banks, which meant that realistic levels of debt reduction would have to be arrived at on a case-by-case basis, in voluntary negotiations, taking into account secondary market prices. Governments could assist in resolving the debt problem indirectly by improving tax incentives for commercial banks to reduce debt; indeed, his own Government had taken such measures. However, in his delegation's view the public sector's main role was to establish the economic environment in which private banks operated, not to coerce them. More generally, future debt agreements should be based on the principle of burden-sharing on the creditor side between commercial banks and official creditors.

134. He recognized that a number of specific assessments and recommendations made by the report were along the right lines. But a number were not: for example, the ideas of setting up a new debt institution or of arrears-based financing. He also doubted that the concept of "environmental debt", introduced in the Secretariat's document on the international development strategy, would prove a useful element in discussions.

135. The representative of Bolivia congratulated the Secretariat of ECLAC on the document's profound analysis both of the historical aspects of the problem of the external debt and of the solutions that had so far been proposed.

136. He drew attention to some of the specific characteristics of the Bolivian situation, pointing out that a new approach had been adopted there in the effort to reduce the debt burden. That new approach consisted basically of three different mechanisms for dealing with the problem: i) buyback of nearly two thirds of the debt owed to private international banks, using resources donated by the international community, thereby making it possible to very significantly reduce the share of the total debt represented by that type of debt; ii) reduction of the outstanding balance of bilateral debt owed to other countries in the region and to the industrialized countries; and iii) in the area of multilateral debt, maintenance of positive credit flows from financial institutions.

137. Bolivia had thus demonstrated that many practical measures could be taken, some traditional and others innovative and imaginative, whose main objective was to reduce the debt burden, thereby releasing more resources for the task of development.

138. The representative of the United States said the document presented was stimulating, and that he appreciated the historical perspective it gave to the debt problem and its relevance to the economies of debtor countries.

139. The world was undergoing a broad adjustment, in which the debt situation was a symptom of a more deeply entrenched set of problems, and had become a problem in its own right. The Brady Plan was a phase of the agreed international debt strategy, and had evolved, as other delegations had observed, through broad consultation and consensus. In evaluating its results, it should be borne in mind that the Plan was only a year old and that it took about three months to implement in international institutions; and it had already had effects in the cases of Mexico, Costa Rica, Chile, Philippines and now Venezuela.

140. He then referred to the mechanisms of the international debt strategy: renewed emphasis on economic reforms; capital repatriation and investment; debt and debt service reduction, as well as new money; and the timing of financing packages. The starting point was always a good economic policy framework, which deserved support.

141. His Government realized debtor nations could not solve their problems alone, and pointed out that there were diversified options they could take, which should be analysed on a case-by-case basis, within the flexible agreed international strategy, as there was no all-encompassing global solution.

142. Regarding the suggestions made by the document, and in a spirit of practicality, not ideology, he said that it apparently considered the moving of resources an easier task than it actually was. Replacing commercial with official exposure was undesirable

in the effort to restore the normal flow of financing, and there should be no dismantling of market situations. His delegation was not in a position to endorse the proposals made in the document, and he concluded that the current strategy, in the opinion of his Government, did indeed have the potential to resolve the problems of debtor countries while restoring conditions for renewed capital flows and economic growth.

143. The representative of Mexico said that the external debt was a problem of the international economy which still lacked a satisfactory solution. The debt issue was bound up with the problem of trade, particularly of protectionism, the prices of commodities and the absence of investment flows, and it thereby limited the prospects for the resumption of development and for a change in production patterns with social equity.

144. There was therefore a need to seek solutions that took account of the particular characteristics of each country and which incorporated the new instruments and principles that had been applied, for example, in the negotiations on the intra-Latin American debt.

145. In that connection, he urged the Secretariat of ECLAC to formulate alternative approaches, based on its research, which took account of existing possibilities and opened up new ones that were adapted to the needs of each one of the countries of the region.

Structure of the international development strategy for the 1990s: some considerations from the standpoint of Latin America and the Caribbean (agenda item 4)

146. The representative of the Secretariat began by drawing an analogy between the events of the 1980s which had ushered in a re-emergence and reinforcement of democracy in Latin America and the Caribbean, on the one hand, and, on the other, the achievements of the multilateral system in the political arena, particularly with respect to the furtherance of peace. In the case of the region, the restoration of democracy had been concomitant with a severe economic and social crisis. In the case of the United Nations, success in the political sphere had coincided with a striking contrast between the International Development Strategy (IDS) adopted at the outset of the 1980s and what had actually occurred during the decade, inasmuch as most of the developing countries had seen the gap between them and the developed countries grow wider.

147. In view of that situation, the Secretariat of ECLAC had put forward a proposal for changing production patterns with social equity. That proposal was designed to further and strengthen democratic processes by means of economic and social changes which

would lead to the establishment of a new form of development based on those processes and their expansion.

148. In the case of the United Nations, the General Assembly had embarked upon two initiatives aimed at promoting advances in the economic and social sphere to complement the achievements of the multilateral system with respect to the furtherance of peace. Those two initiatives were the special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development in the developing countries, and the new international development strategy for the 1990s.

149. The representative of the Secretariat went on to review the institutional mechanisms being utilized by the United Nations system, and by ECLAC in particular, to co-operate in the formulation of the international development strategy. Achievements in that connection included the adoption by CEGAN in March 1989 of basic guidelines for the preparation of the strategy and the agreement reached by the General Assembly at its forty-fourth session regarding the structure of the new IDS.

150. He then discussed the relationship between the new international development strategy and the special session of the General Assembly devoted to international economic co-operation, in particular to the revitalization of economic growth and development in the developing countries. In both cases, one of the pivotal elements around which the debate had revolved concerned the factors that had led to such a severe crisis in most of the developing countries at a time when the member countries of the Organization for Economic Co-operation and Development (OECD) were completing their seventh consecutive year of growth. There were a number of different theories in that regard, ranging from ones which emphasized the new international environment's adverse impact on the developing countries to ones which focused on the domestic policies of those countries. Such interpretations might well give rise to positions whose most salient component was denunciation, at one extreme, and a doctrinaire stance, at the other.

151. He then reminded the Committee that at the special session of the General Assembly, which had been held the preceding week, it had adopted the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries.

152. The representative made some preliminary observations concerning the content of the Declaration. First of all, he stressed the fact that a consensus had been reached on issues which had previously been the object of admittedly antagonistic positions.

153. He then reviewed the main issues on which ground-breaking agreements had been reached: the interpretation of what had occurred in the 1980s, which, in the case of many developing countries, were viewed as a decade lost for development; responsibility and participation in the macroeconomic sphere at the international level, human resources development, respect for human rights and the need to arrest the current escalation of extreme poverty and hunger; external indebtedness and commitments with respect to official development assistance; and the environment, responsibilities in that connection and the links existing among development, growth and the capacity to address problems of the degradation and protection of the environment.

154. The Declaration thus reflected a vast array of agreements on conceptual questions. It also proposed operational tools to aid the United Nations system in its efforts to act upon the agreements. At the global level, the elaboration of a new international development strategy constituted the fundamental instrument for that purpose. In respect of other areas, the Declaration listed the forthcoming meetings scheduled by the United Nations system which were to mark the culmination of major initiatives then underway: conferences on the least developed countries, children, the environment and development, and population, and the eighth session of UNCTAD. In closing, the representative of the Secretariat discussed the current status of the work on the new IDS. Based on the outline which had been approved for the strategy, at the present meeting the Secretariat had presented background material on three of the subjects included therein: international trade relations, human resources and poverty, and an environmentally sustainable form of development. In each case a synopsis of the recent course and present status of international negotiations was furnished.

155. The representative of Chile said that his delegation agreed with the Secretariat's interpretation of the outcome of the eighteenth special session of the General Assembly, especially the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries which had been adopted by that session. The Declaration had been adopted by consensus and it was a considerable step forward with regard to the principles of international economic co-operation. Moreover, it contained many interesting concepts, such as the views that the 1980s was a "lost decade" for many developing countries and that the revitalization of growth in the developing countries called not only for their internal efforts but also for a favourable international economic climate that would permit such countries to develop.

156. The ECLAC Secretariat's proposal on changing production patterns with social equity was clearly linked to the international development strategy for the 1990s, in that the strategy should appropriately define various conditions that were basic to creating

a favourable international environment for world economic activities. Such conditions should include: a net inflow of external resources to developing countries; the solution of the external debt problem; an open and transparent system of international trade; the elimination of protectionist measures; greater access of commodities and some manufactured products to the markets of developed countries; and, importantly, proper co-ordination of the macroeconomic policies of the industrialized countries, taking due account of the interests of developing countries.

157. He noted that other key topics that the new international development strategy should consider were the training of human resources, the eradication of extreme poverty and the conservation of the environment.

158. Finally, he said that the proposal for changing production patterns with social equity could be implemented by the region only if there were a more favourable international economic environment, which it was the duty of the international development strategy to provide.

159. The representative of Spain first congratulated the Secretariat on the summary which it had presented of the Declaration adopted by the special session of the General Assembly. The Declaration had achieved, for the first time, a proper balance between specific sectoral approaches (trade, financing and technology, for example) and what should be a global economic agenda, consisting of an interrelated network of sectoral issues and linkages between international and domestic issues. The Declaration, moreover, offered a balanced and objective assessment of the past, which was useful in determining future commitments. Lastly, the Declaration adopted a sound approach to other essential issues, such as the co-ordination of the macroeconomic policies of the developed countries, the transfer of technology, the training of human resources, and the question of the urgent attention to the achievement of a lasting and comprehensive solution to the problems of the external debt of the developing countries.

160. In his view, the Declaration presented a new global vision of international economic relations and, in particular, took account of the new challenges and opportunities that were emerging as a result of the efforts being made by the countries of Eastern Europe to be integrated into the international economy.

161. The representative of Venezuela joined the preceding speakers in commending the Secretariat on the document on the international development strategy and on the presentation it had given of the item under consideration. In general terms, the international development strategy was an instrument which provided guidelines for dialogue, co-operation and the revitalization of North-South relations. The region should therefore assume an important role

in the formulation of the new Strategy, which was an instrument offering great scope in terms of relations between developed and developing countries.

162. In more specific terms, it was felt that the new international development strategy should, unlike its predecessors, have the underlying methodological characteristic of being flexible and capable of revision, so that it could be adapted to the changes which would occur during the decade. As suggested in the Secretariat document, it should allow for partial advances without losing sight of overall goals. It should also focus on a few priorities or objectives and should be a pragmatic, agile and operational document. Subjects addressed in the strategy which were of especially high priority included the external debt and international trade. Unless the problems in those areas were overcome, it would be difficult to talk about development or economic revitalization.

163. With regard to the external debt, the concrete goals in that connection should include reversal of the negative transfer of resources; the assignment of the role of development catalysts and promoters to the International Monetary Fund and the World Bank; and the elimination of the negative effects of conditionality and above all cross-conditionality.

164. With regard to international trade, the conceptual framework of the strategy should include the recognition that the prevailing situation was characterized by the persistence of protectionism, the deterioration of the terms of trade, especially trade in basic commodities, and more recently by the formation of economic blocs which tended to exclude developing countries. The concrete proposals should touch on the structuring of a fair and equitable system of trade whose rules were clearly defined; the firm belief that multilateralism must play a fundamental role within such a system; the dissociation of the so-called "new topics" under discussion in trade negotiations from topics relating to trade in goods; and support for the processes of regional integration in order to make the 1990s a "decade of integration".

165. The new international development strategy should also provide for the concept of the link which existed between debt and trade. The link between debt and environment, termed the "environmental debt" in the Secretariat document, was also worth exploring in depth.

166. The representative of Canada expressed appreciation for the effort made by the Secretariat to present the topic under discussion in a balanced and objective manner which was in keeping with the agreements recently arrived at in the special session of the General Assembly. The Declaration approved there reflected the growing convergence of the different positions, while giving due attention to the international and national aspects of economic

policies, as well as to other aspects such as the environment and the full utilization of human resources.

167. A prominent feature of the current trends in international economic relations was the growing interdependence of the world economy, which meant that both the developing and the developed countries must adapt their economies so as to make them competitive and capable of facing up to the present and future challenges. Regarding the Uruguay Round, he said that issues of interest to the developing countries were being addressed, as demonstrated by the recent meeting in Puerto Vallarta with respect to textiles and clothing and by the Montreal ministerial meeting regarding tropical products. All key participants in the multilateral trade negotiations must contribute to market access negotiation if there were to be meaningful results in the area of tariffs and non-tariff barriers.

168. There were various important forms of negotiating machinery between the developed and developing countries, and those negotiations must be carried on in a spirit of openness and not of confrontation, with due understanding of the mutual responsibilities of the countries with regard to the problems faced and the need to further strengthen co-operation. In that respect, many concepts --including that of the "centre" and the "periphery"-- were being eroded by the globalization of the world economy.

169. The growth of poverty in Latin America and the Caribbean was a source of concern, and it was therefore essential that the adjustment policies required should be accompanied by measures to soften their effects on the most vulnerable groups. The dialogue and search for agreements which were taking place in ECLAC were most encouraging signs.

170. After thanking the ECLAC Secretariat for the document it had submitted, the representative of Bolivia drew attention to the need for IDS to include an analysis of the factors which had given rise to the economic crisis of the 1980s. During that decade, there had been widespread deterioration of people's standards of living and quality of life, due to the exhaustion of the style of development which prevailed in the majority of countries of the region at that time. That had been reflected primarily in a loss of economic dynamism and a decline in the countries' relative share in international trade, particularly trade in manufacturers.

171. The oil crisis of the 1970s had been of direct benefit to some of the countries of the region and of indirect benefit to others owing to the large financial flows received during that decade. That situation had made it possible, however, to postpone structural reforms which should have been carried out over ten years ago. In the 1980s, the flows of capital had been reversed and the terms of trade had plummeted, causing many economies to adopt

severe adjustment and stabilization measures, the short-term cost of which was reflected in the deterioration in standards of living he had already mentioned.

172. He felt that the coming international development strategy should take those problems into consideration so as to provide guidance for the countries with respect to the way in which they should adapt themselves to the new international environment as well as with respect to the kind of economic and social policies that should be considered in the 1990s in order for the countries of the region to be able to return to the road leading to growth, development and increased social equity.

173. The representative of Cuba joined other delegations in congratulating the Secretariat on its presentation of the topic. He said that the agreements reached by consensus at the recent special session of the General Assembly must be translated into benefits for the developing countries. He supported Venezuela's proposal that the IDS document should be flexible, that its objectives should be prioritized, that it should be reviewed periodically and that its results should be able to be evaluated. He also shared the view that the basic objective of IDS should be to achieve a net positive transfer of resources to the region, since that would help solve the debt and foreign trade problems. Human resources and poverty should also be priority topics.

174. He underlined the need for the international community to establish indicators of the amount of progress being made in fulfilling the objectives of the strategy. It was especially important for concrete instruments to be provided in the strategy in order to ensure the implementation of the proposals contained in the recent Declaration adopted by the special session of the General Assembly. Thus, for example, there needed to be an assessment of the extent to which the developed countries' macroeconomic policies took into account, as agreed, the interests of the developing countries, especially with regard to interest and exchange rates and actions relating to debt, protectionism and trade imbalances.

175. He noted that it would be useful to establish a mechanism within the United Nations to facilitate such an evaluation process, and suggested that ECLAC might propose specific measures to that end.

176. The United States representative congratulated the Secretariat on the useful summary of issues regarding the international development strategy (IDS). He indicated that the importance of the external environment for the prospects of the developing countries was widely recognized, and felt that it was important to stress certain positive aspects of that environment. First, he indicated that co-ordination of macroeconomic policies among the member countries of the Group of Seven showed a positive record,

and that the Group would continue to treat as fundamental concerns the issues of development and external environment. One issue of understandable concern he mentioned was the United States budget deficit. The United States Government was taking steps to address the deficit, which had been reduced in 1989 to less than 3% of the gross national product.

177. Secondly, a reasonably positive record existed in the area of protection and trade policies in developed countries, and he mentioned progress made as regards the share of developing countries' exports in total exports. The successful completion of the Uruguay Round was a top United States policy priority. Particular importance was attached to agriculture, where the United States had put forward a proposal to eliminate trade-distorting measures by the year 2000, and to textiles, where it had submitted a proposal aimed at bringing textiles under GATT discipline within a reasonable period of time.

178. Regarding ECLAC's paper on the IDS, the United States representative said it would be useful to take into account recent agreements and discussions, which implied optimism concerning future prospects. His delegation agreed with the idea expressed in the document of including the human dimension in structural adjustment, though he felt World Bank structural adjustment programmes did take it into account. He also emphasized that the environment involved a common interest and he expressed reservations about the concept of environmental debt, since it departed from the spirit of shared responsibility. Finally, the United States representative expressed the hope that ECLAC would take into account his comments, the discussions during the past two days and those that had taken place in the special session of the General Assembly. He agreed with other delegations that the IDS document should be flexible and pragmatic.

179. The Jamaican representative noted that the discussions in the two previous days on transforming production structures and the present one on the international development strategy were complementary, since the ultimate objective was to attain improvement in the quality of life. One painful lesson learned by the countries of the region in the last decade was that economic adjustment policies could not be pursued without due regard to their impact on social sectors. Jamaica, for example, faced serious problems from deteriorating education and health facilities and a dramatic shortage of housing.

180. Past strategies had been rather ambitious in their targets. The Jamaican delegation agreed with the points raised by the Venezuelan delegation in that the new IDS should be a practicable, attainable and generally applicable framework, being flexible enough to take care of changing circumstances. It should include an evaluation clause in order to assess progress and reorient the programme where necessary.

181. The representative of Ecuador paid tribute to ECLAC's efforts to contribute to the IDS and congratulated the Secretariat representative on his presentation of the topic. He agreed with a number of previous speakers on the desirable lines of the new strategy, noting that the objectives and broad lines of the IDS should be maintained, while the instruments and actions for each of the individual topics should be adapted to the changes which might take place in the world economy.

182. With regard to the topic of international economic relations, he said that the document gave an excellent account of the changes which had taken place, especially in centre-periphery trade. He felt that it would be a good idea for ECLAC to define the economic policy instruments and actions for international economic relations, among which he suggested laying stress on the dismantling of protectionism; the reversal of the growing decapitalization of the region; the revitalizing of the Generalized System of Preferences; the establishment of closer links between the Latin American and Caribbean integration and co-operation processes and those of Asia and Africa; respect for the concept of standstill in GATT and the fulfillment of other matters under negotiation; the establishment of closer links between, on the one hand, the countries of the region and their integration and co-operation systems and, on the other, the Eastern European countries; and the liberalization of world markets.

183. With regard to the topic of human resources and the development strategy, he felt that ECLAC should persevere with the definition of the central elements of social development and set forth its main lines, assume the payment of the social debt as an element of social development and define the fields of the social debt.

184. Finally, with regard to the topic of background and proposals for environmentally sustainable development, he considered that the question of the environment was indeed intimately linked with development. It was necessary to strike a balance between environmental protection and conservation and economic and social development policies, and there were differences between the way the developed and developing countries saw the problem. He made it clear that Ecuador rejected any foreign interference in its policy decisions and staunchly defended its right to manage its resources in a free and sovereign manner.

185. He emphasized that the United Nations provided the most appropriate means of setting forth that topic clearly. The multilateral co-operation agencies, for their part, should set up research programmes and procedures to favour the transfer of technology for the benefit of the developing countries. He also called for free access to scientific information and the transfer of technology regarding ecodevelopment. In conclusion, he said

that last April his country's Government had declared the 1990s the "Decade of Ecodevelopment".

186. The representative of UNCTAD said that a new international development strategy should attach greater importance to the interdependence among States and between trade, commodities, debt, the transfer of technology, and monetary and financial issues. In his view, no progress had been made in those critical areas over the previous few years. As examples of that stagnation, or even retrogression in some cases, he mentioned, inter alia, the upsurge in protectionist measures since the beginning of the Uruguay Round. In those negotiations there had been a move away from the objective of market access for the products of the developing countries, in favour of the establishment of norms in new areas such as intellectual property and investments. In the area of safeguards, there was a tendency to include discriminatory clauses, and the prospects for the inclusion of textiles in the GATT system were very remote. Other problems were the instability of the commodity markets, which had been so dramatically illustrated just previously in the losses suffered by the coffee- and cocoa-exporting countries; restrictions on access to technology; resistance to changes in the international monetary system; and the scant progress made in resolving the problem of the external debt. In conclusion, he reiterated that in order for the strategy to be successful, importance must be attached to the commitment of UNCTAD VII on the issue of interdependence.

187. The representative of Mexico said that, while not overlooking the issues of poverty and financial resources, he wished to draw special attention to the question of international trade relations in the international development strategy. With respect to the work in progress in the Uruguay Round, he referred to a number of issues which deserved particular attention, such as greater access to the markets of the developed countries, especially for agricultural goods, the revitalization of the Generalized System of Preferences, the elimination of protectionism and the reordering of the commodity markets to ensure that they were more stable and predictable than was currently the case.

188. Upon completion of the countries' statements at its last meeting, Committee I adopted by consensus a draft resolution on changing production patterns, social equity and the international development strategy, to be submitted to the Plenary by the Latin American and Caribbean Group.

189. The delegation of Chile, in introducing the draft resolution, noted and welcomed the considerable flexibility shown both by the developed member countries of the Commission and by the Latin American and Caribbean countries in reaching a consensus. The agreement was an example of the spirit that had made it possible to formulate the Declaration adopted at the eighteenth special session of the General Assembly, at which the various groups of

countries had been able to refrain from insisting rigidly on their traditional positions and had agreed to consider differing views to a reasonable extent.

190. Once the draft resolution had been adopted, the representative of the United States made the following statement:

"Mr. Chairman, the delegation of the United States is pleased to have been able to join the consensus in support of this resolution. We believe that it represents an important statement of the determination of the countries in this region to move forward with difficult but necessary economic reforms.

"We congratulate the Secretariat for the intellectual contribution that it has made in stimulating the comprehensive and wide-ranging discussions that we have held on this subject.

"In view of the at times rather nuance-laden negotiations that went into the wording of this text, I would like to take this opportunity to clarify the position of the United States on a number of points.

"With regard to the question of debt, we are pleased to note that the resolution recognizes that there is an internationally agreed strategy in place for addressing the debt problems of developing countries. The IMF and the World Bank are the international institutions responsible for implementation of the recently strengthened strategy, which focuses on voluntary negotiated debt and debt service reduction by commercial banks as a means of providing financial support for countries pursuing sound economic policies. This strategy has demonstrated its flexibility and potential over the past year as countries accounting for 44% of the commercial bank debt of the principal debtor countries have negotiated agreements with the commercial banks involving significant debt and debt service reduction.

"Mr. Chairman, paragraph 10 calls upon member States to create conditions conducive to the reversal of the current trend in the transfer of financial resources away from developing countries of the region. In our view, such capital flows respond essentially to economic conditions and policies in each individual country. We believe that the real solution for improving the balance of resource flows lies not in government-to-government action but, instead, in creating the conditions necessary to attract the vastly greater potential flows of private capital.

"Paragraph 10 also places priority attention on the issue of commodity markets. We are sensitive to the concerns of countries in this region to achieve more stable and predictable conditions for commodity exports. At the same time, we believe it is important to ensure that the commodity price agreements remain in accord with long-term market trends.

"Finally, Mr. Chairman, in particular with respect to paragraphs 2 and 9, I must emphasize the importance of maintaining the independence and mandate of the specialized institutions --most notably the IMF, World Bank and GATT-- as they proceed with the work in their field of competence. The United Nations has an important role to play in developing consensus on broad issues, but should avoid getting involved in specific guidance to these specialized institutions.

"These are the points I wished to make, Mr. Chairman. Thank you for your patience."

191. The Latin American and Caribbean Group requested that its recognition of the considerable efforts of its spokesman, Mr. Pedro Uriarte, the representative of Chile, in attaining a consensus text should be placed on record. That recognition was expressed unanimously by all the delegations of the region present at the meeting.

192. The report of Committee I was adopted and submitted to the Plenary.

Annex 2

# REPORT OF COMMITTEE II */

## A. ORGANIZATION OF WORK

1. Committee II met on 3, 4, 5 and 8 May 1990.

2. The Committee elected the following Officers:

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| Chairman: | Guatemala |
| First Vice-Chairman: | Canada |
| Second Vice-Chairman: | Netherlands Antilles |
| Third Vice-Chairman: | Uruguay |
| Rapporteur: | Mexico |

3. During its deliberations the Committee had before it the following working documents: "Report of the work of the Commission since April 1988" (LC/G.1602(SES.23/7)); "Draft programme of work of the ECLAC system, 1992-1993" (LC/G.1600(SES.23/8)); "Programme performance report of ECLAC for the biennium 1988-1989. Note by the Secretariat" (LC/G.1603(SES.23/22)); "Report of the activities of the Latin American Demographic Centre (CELADE), 1988-1989 (LC/G.1598(SES.23/10)); "ILPES: New guidelines for work in 1990-1991 and summary of activities in 1988-1989" (LC/G.1607(SES.23/11)) (LC/IP/G.54); "Proposed calendar of conferences of ECLAC for the period 1990-1992. Note by the Secretariat" (LC/G.1614(SES.23/6)); "Some recent resolutions and decisions adopted by United Nations organs which require to be brought to the attention of the Commission. Note by the Secretariat" (LC/G.1616(SES.23/19)).

4. The Committee also had a number of reference documents at its disposal, including the reports of the Committee of the Whole, of the Committee of High-Level Government Experts (CEGAN), of the Caribbean Development and Co-operation Committee (CDCC), and of the eighth and ninth meetings of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean.

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*/ This report was submitted to the Plenary as document PLEN/6.

## B. AGENDA

5. At its first meeting, the following agenda was adopted:

1. Election of Officers
2. Adoption of the agenda

3. Meetings of auxiliary bodies, and regional meetings sponsored by ECLAC in preparation for United Nations world conferences: conclusions and recommendations

4. Other activities of the ECLAC system since the twenty-second session of the Commission, and programme of work for the biennium 1992-1993

   a) ECLAC
   b) Latin American Demographic Centre (CELADE)
   c) Latin American and Caribbean Institute for Economic and Social Planning (ILPES)

5. Calendar of conferences for the period 1990-1992

6. Some recent resolutions and decisions adopted by the United Nations which require to be brought to the attention of the Commission. Note by the Secretariat

7. Other business

8. Adoption of the report of Committee II.

## C. SUMMARY OF DEBATES

Meetings of auxiliary bodies, and regional meetings sponsored by ECLAC in preparation for United Nations world conferences: conclusions and recommendations (agenda item 3)

Other activities of the ECLAC system since the twenty-second session of the Commission, and programme of work for the biennium 1992-1993 (agenda item 4)

6. In opening the deliberations of the Committee, the Executive Secretary of ECLAC presented agenda item 3 together with the first part of agenda item 4. In so doing, he summarized the activities carried out by the Secretariat since the twenty-second session of the Commission, which had been held in April 1988.

7. He remarked that one of the difficulties posed by the type of presentation he was about to make was to decide whether to structure it by programmes, by sectors, in accordance with the way

in which the Commission was organized, or by types of activities. Having chosen to use the latter criterion, he observed that he would not attempt to provide an exhaustive review of the Commission's work because he did not wish to run the risk of obscuring its most significant achievements.

8. In discussing the activities performed by ECLAC as an intergovernmental forum, he referred to the twentieth session of the Committee of the Whole and to the fifteenth, sixteenth and seventeenth sessions of CEGAN, at which the approach taken by Latin America and the Caribbean to the new international development strategy had been examined. He also mentioned the eleventh and twelfth sessions of the Caribbean Development and Co-operation Committee (CDCC), at which the participants had reviewed the Secretariat's activities in the subregion and had adopted a series of new guidelines, and the fourth Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean, which had provided the Secretariat with guidelines for its future activities in connection with the integration of women into development. He also made reference to other specialized meetings, such as those held by officials responsible for matters relating to the foreign trade of the ALADI member countries, the Directors of Statistics of the Americas, and the Ministers of Public Works and Transport of the countries of the Southern Cone.

9. He then spoke of ECLAC as a meeting place for the countries of the region, noting that the Commission had either sponsored or participated in almost one hundred meetings --conferences, seminars and round tables-- dealing with a variety of subjects during the period in question. He also drew the participants' attention to the collaboration of the World Bank and IDB in those activities.

10. He added that ECLAC also served as a centre for economic monitoring and information analysis, and in that regard drew the meeting's attention to three periodicals published by the Commission: the Economic Panorama of Latin America, the Preliminary Overview of the Latin American Economy, which was widely distributed throughout the region, and the Economic Survey of Latin America and the Caribbean, a publication which had been brought out on an increasingly timely basis from year to year. He also spoke of the updating of the economic data bank on Latin America and the Caribbean, which included data on such matters as foreign trade, national accounts, finance (especially in respect of the debt), and social indicators based on household surveys (in association with UNDP). The above-mentioned data bank was considered to be the most comprehensive of its kind.

11. ECLAC was also a conduit for the expression of the global concerns of the United Nations from a Latin American and Caribbean perspective. In that capacity, it took into account the interests of the countries in addressing such questions as the environment

and development, women, science and technology, youth, population, trade, debt, the law of the sea, services and human settlements. The Executive Secretary indicated that most of those issues were priority items on the agenda of the United Nations, but he also acknowledged that there had been delays in dealing with some important issues, such as the traffic in narcotics and drug abuse.

12. In addition, ECLAC served as an intergovernmental secretariat and fostered co-operation through North-South, South-South, interregional and intraregional co-operation initiatives. ECLAC could also be regarded as a supplier of services in the fields of training, which it provided through the courses offered by ILPES and CELADE; advisory assistance (particularly in the field of short-term economic policy); censuses; and horizontal co-operation.

13. He devoted particular attention to the work of the Latin American Centre for Economic and Social Documentation (CLADES), which provided a unique service in the region and which had expanded its services through the ECLAC Subregional Headquarters for the Caribbean by creating a network of documentation centres in the English-speaking Caribbean countries.

14. In drawing his presentation to a close, he indicated that although more than half of the Secretariat's activities were of an operational nature, it also conducted applied research in response to government requests and, as part of its scholarly activities, played an important role as a centre of economic thought in respect of Latin America and the Caribbean. In that connection he mentioned two key documents presented to the twenty-third session: Changing production patterns with social equity and Latin America and the Caribbean: options to reduce the debt burden.

15. In conclusion, the Executive Secretary reviewed the Commission's long and productive history of co-operation with other bodies, which had resulted in the formation of joint units with FAO, UNIDO, UNCTAD, UNEP and United Nations Centre for Human Settlements (Habitat), the Centre on Transnational Corporations (CTC) and, in the social sphere, the United Nations office in Vienna.

16. After hearing the presentation given by the Executive Secretary, the Committee approved the "Report of the work of the Commission since April 1988" (LC/G.1602(SES.23/7)) by acclamation.

17. The Committee then began its consideration of the "Draft programme of work of the ECLAC system, 1992-1993" contained in document LC/G.1600(SES.23/8).

18. The representative of the Secretariat outlined the general aspects and background of the proposed work programme, which was made up of 14 subprogrammes subdivided into 82 programme elements.

He briefly summarized the characteristics of the integrated programming cycle of the United Nations and referred to the Organization's medium-term plan for 1992-1997, which contained the main programme, "Regional co-operation for development in Latin America and the Caribbean". The subprogramme was the unit that translated legal mandates into support activities for the member countries. Each subprogramme was made up of elements involving related activities, and such information would later be supplemented with the corresponding financial data for the submission of the 1992-1993 programme budget to the General Assembly through the appropriate specialized committees of the United Nations at the end of the current year.

19. A representative noted that the proposed activities formed part of the medium-term plan for 1992-1997. His Government's position was that activities should conform to the priorities established by the member countries and that a duplication of efforts had to be avoided through co-ordination. He stressed the importance of evaluating activities and of reducing or, if necessary, terminating those of marginal usefulness; he urged that the lengthy calendar of ECLAC conferences and meetings should be rationalized and that the guidelines on conferences established by the General Assembly should be fully complied with.

20. Finally, he welcomed the presentation of the work programme, which had been designed on the basis of the principle of zero growth in real terms with a view to preparing the programme budget for 1992-1993.

Subprogramme 1: Food and agriculture

21. The Secretariat representative outlined the subprogramme on food and agriculture that ECLAC was implementing jointly with the Food and Agriculture Organization of the United Nations (FAO) and said that the subprogramme had been designed to achieve interdependent and long-term objectives such as the eradication of rural poverty; the elimination of hunger and malnutrition; increased agricultural output and productivity; less heterogeneity in production in rural areas; and a sustained expansion of national supplies of foreign exchange.

22. A representative expressed satisfaction at the structure of the subprogramme, which was designed to examine the sector's problems in conjunction with macroeconomic policies on such matters as prices, subsidies and exchange rates, and said that with major structural changes it would be possible to increase international competitiveness and private investment.

23. Another representative said that the analysis of the policy framework should be strengthened so as to improve the orientation of agricultural planning and food security.

24. A third representative expressed concern at the lack of specific activities in the area of technical co-operation among developing countries (TCDC) in the subprogramme and stressed that his country was particularly interested in seeing an expansion of the modalities for horizontal co-operation between Latin America and the Caribbean.

25. Another representative said that not only was it important to promote investment and privatize as much of the agricultural sector as possible, but that it was equally important to achieve the greatest possible harmonization of the activities of the private and State sectors with a view to increasing the food supply of the entire population.

26. Another representative said that coconut oil had properties which reduced the accumulation of cholesterol and suggested that particular attention should be devoted to such properties under the programme element relating to food security.

27. Participants also made some comments on the terminology used in the presentation of the subprogramme. The Secretariat representative explained that the terminology was in line with the resolutions adopted by the United Nations General Assembly on the international development strategy. TCDC activities in that area were being organized by FAO, which maintained co-operation networks with the assistance of ECLAC. The enhancement of the role of private investment was considered as one of the objectives of the subprogramme.

28. Upon concluding its consideration of the topic, the Committee unanimously approved subprogramme 1.

Subprogramme 4: Industrial, scientific and technological development

29. In introducing the subprogramme, the representative of the Secretariat said it would be carried out through a combined effort on the part of ECLAC and the United Nations Industrial Development Organization (UNIDO) and that those aspects of scientific and technological development which were essential for increasing international competitiveness had been incorporated into its design. He went on to describe its component programme elements in the areas of the analysis of industrial, scientific and technological activities; the design of industrial and technological strategies and policies; technological innovation; and the strengthening of international competitiveness. He also described the activities relating to the development of small and medium-sized industry, to the promotion of the manufacture of capital goods, and to training which were provided for in the subprogramme under consideration.

30. One representative expressed agreement with the way in which the subprogramme was designed and noted that it was especially relevant to a strategy of changing production patterns with social equity. The subject of services was particularly relevant in that context.

31. Another representative also expressed his Government's satisfaction with the approach taken to the subject of industrial development, which involved the incorporation of technological progress with a view to enhancing international competitiveness. His country also wished to be taken into consideration in a case study for Project RLA/88/039 on the design of policies to strengthen the capacity of technological innovation and increase competitiveness at the entrepreneurial level.

32. The representative of the Secretariat explained that the regional project referred to, which was in its preparatory phase, would cover a number of countries of the region, including the country of the representative who had made the request. He added that ECLAC performed technical assistance activities not only in co-operation with UNIDO but also with other regional bodies, and that financial support from IDB was available for such activities.

33. Subprogramme 4 was approved.

Subprogramme 5: International trade and development financing

34. The Secretariat representative presented this subprogramme by pointing out the importance of the topic, which was to be carried out through four main sets of programme elements: elements 5.1 to 5.4, referring to the international economic relations of Latin America and the Caribbean, with particular emphasis on negotiations in international forums; elements 5.5 and 5.6, on Latin American and Caribbean relations with developed, market-economy countries and centrally planned economies; elements 5.7 to 5.9, referring to economic integration and co-operation among the countries of the region and to Latin American and Caribbean co-operation with the developing countries of Africa and Asia; and, finally, elements 5.10 and 5.11, in which the economic and institutional aspects of development financing were to be considered. With regard to the last-mentioned topic, attention was drawn to the joint work of the UNCTAD/ECLAC project being carried out with UNDP funding.

35. One representative suggested that greater attention should be given to surmounting barriers to trade between Latin America and the Caribbean, and that measures to increase the volume of international trade between the countries of the two areas should be supported.

36. Another representative said that his Government attached a great deal of importance to intraregional Latin American

co-operation as part of the development strategy for the 1990s. In that period, support for integration would have a high priority in foreign policy, as would any activity, generally speaking, aimed at promoting integration, whether through bilateral or multilateral agreements or complementarity agreements reached within existing co-operation and integration schemes. He also noted the importance attached by his country to the promotion of exports, harmonization of national machinery and enhancement of horizontal co-operation, which was indispensable for the exchange of experience in that field. It also seemed to him to be very important to co-ordinate country positions in respect of trade in services, so as to present a more united front during international negotiations on the subject. He called for programme element 5.9, on Latin American and Caribbean relations with developing regions and countries, to be translated into concrete proposals.

37. With regard to element 5.11, he felt that the importance attached by the Secretariat to regional financial integration was very appropriate, coinciding as it did with the proposals put forward in various forums, such as the Rio Group and ALADI, and that it was essential for there to be suitable financial instruments in order to make regional integration a more viable prospect.

38. A third representative said that his country was concerned that export promotion programmes might not include tax cuts to encourage an increase in imports, which would be detrimental to regional trade.

39. Another representative expressed his agreement with the contents of the subprogramme and drew attention to the interrelationship to development financing, international trade and the external debt problem in the context of international trade, because of the role which that problem played in the linkage of competitive production systems.

40. Another representative proposed that, with the object of promoting regional development and consolidating the steps being taken towards integration by the countries of the region at the national level, special emphasis should be placed on the promotion of cross-border integration activities so as to further the development of border communities.

41. Lastly, a representative noted that the description of co-operative relations with other organizations given under element 5.3, "Commodities and export promotion", omitted mention of the Caribbean Development Bank (CDB).

42. The representative of the Secretariat thanked the participants for their observations and suggestions and took due note of them. The omission which had been pointed out would be corrected in the final version of the document. All the comments offered were of

value to the 1992-1993 programme of work as well as to the current (1990-1991) programme.

43. Lastly, the representative of the Secretariat said that there should be a convergence of actions undertaken by Latin American and Caribbean countries in various areas of international trade and development financing. Thus, for example, within the sphere of international economic relations it would be advisable to develop a series of intraregionally concerted positions so that the countries could enter into extraregional negotiations on the basis of joint proposals. In addition, with respect to economic and social integration, it was very important to achieve a gradual convergence among the various subregional integration agreements existing in Latin America and the Caribbean, their co-operation and integration activities and the bilateral and multilateral approaches being taken to regional economic co-operation.

44. The Committee approved subprogramme 5.

Subprogramme 9: Social development

45. The Secretariat representative reported on the content of this subprogramme, which was aimed at examining the social effects of the crisis that had so deeply affected the countries of the region with a view to proposing strategies, policies and programmes to help reduce the negative effects of the structural adjustment programmes applied in most of the countries. Basically, the programme had three interrelated programme elements: social stratification and poverty, styles of development, and problems of selected groups of the population and policies designed to solve them. It also included a fourth element on the integration of women into Latin American and Caribbean development which was oriented towards the organization and substantive servicing of the meetings of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean, the fifth Regional Conference on that subject, and the Regional Preparatory Meeting for the World Conference on the Integration of Women into Economic and Social Development.

46. Most of the representatives referred to the need to integrate social development requirements into economic development analysis, as that was essential in order to support unified action at the national level that took due account of the private bodies working in the social field. Emphasis was placed on the desirability of considering the family as the main unit of analysis in that respect, and concern was expressed at the tendency which had been observed to tackle the crisis through economic adjustment policies, to the detriment of social policy.

47. Another representative said that he shared those views and added that the social effects of the adjustment would have serious repercussions on efforts to achieve changes in production patterns with equity.

48. Another representative expressed interest in obtaining further information on the existing machinery for co-ordination between government and non-governmental bodies in the area of social policies and programmes.

49. Another representative referred to the documents mentioned in element 9.2 (1) a) ii regarding the effects of the crisis on the relationship between development and democracy in various national situations. He observed, however, that it should also include an analysis of the relation between development and equity in the light of the social effects of the crisis.

50. The Secretariat representative took note of the foregoing observations, noting that, in the activities being carried out by the subprogramme, households were in fact taken as the unit of analysis, not only because that permitted more realistic studies, but also because the family was the unit which could most effectively be reached with directed social policies. The concern over the relationship among development, equity and democracy, which the Secretariat fully shared, was reflected in the work of the Secretariat, and especially in the document on changing production patterns with social equity which was being examined in Committee I.

51. After hearing the clarifications of the Secretariat representative, the Committee approved subprogramme 9.

Subprogramme 11: Statistics and economic projections

52. The Secretariat representative gave a detailed account of the content and scope of the combined activities in the field of statistics and economic projections, which, although each retained its own identity, nonetheless mutually complemented and strengthened each other when they were carried out in an integrated organizational unit.

53. In the area of statistics, the subprogramme included two sets of programme elements. The first set constituted the regional framework for statistical information and grouped together activities on the expansion and improvement of Latin American and Caribbean economic and social statistical data banks. The second set of activities included statistical development, quantitative analysis and regional co-operation, and sought in particular to make progress in the application of the new classifications and definitions of the System of National Accounts (SNA), of the social

statistics sector, and those relating to international economic relations.

54. Another line of action was to establish a link for the transfer of computer systems from the developed countries.

55. With regard to economic projections, technical assistance activities were planned in connection with medium- and long-term prospective exercises, as was the preparation of studies designed to provide a quantitative and qualitative basis for the deliberations of the Committee of High-Level Government Experts (CEGAN). In addition, a systematic examination would be made of reports on the future of the world economy, and periodic reports on world production and trade prospects would be prepared.

56. The representatives accepted the Secretariat's proposal, and subprogramme 11 was consequently approved.

Subprogramme 6: Natural resources and energy

57. The Secretariat representative presented the subprogramme on natural resources and energy, along with the specific activities includes therein, and described its main elements: vertical integration of the mining sector; promotion of the development and efficient use of water resources; support for the formulation of national ocean policies; and forecasting of energy demand.

58. One representative requested that the technical study for the Latin American Group of the Preparatory Commission for the International Sea-Bed Authority concerning the compensation fund for land-based producer countries (element 6.4 (1) b) should be brought forward to 1992 so as to meet in a timely manner the requirements of the Preparatory Commission that would be working on the subject.

59. The Secretariat representative noted the request and undertook to speed up the work as requested.

60. Another representative expressed his country's interest in receiving technical assistance on thermoelectric power. He mentioned that Dominica was preparing to seek the support of Mexico in developing its energy potential and referred in particular to the corresponding programme element (6.5).

61. The Secretariat representative replied that that programme element was of a general nature for Latin America and the Caribbean, but the work to be carried out must fit in with the particular features of the demand forecast exercises of each country, as well as making provision for comparative analysis. In terms of the application of the results of the work (in addition to the distribution of the document which would be prepared), it

would certainly be possible to meet specific requests for assistance from some countries in order to cover special situations and promote horizontal co-operation.

62. After hearing the Secretariat representative's clarifications, the Committee approved subprogramme 6.

Subprogramme 7: Environment and human settlements

63. In presenting this subprogramme, the Secretariat representative noted that the activities relating to the environment and human settlements had been grouped together in it because of the thematic affinity between them, but both of them nevertheless maintained their identity.

64. Thus, the activities to be carried out by the Joint ECLAC/UNEP Development and Environment Unit had been programmed in elements 7.1 to 7.3.

65. Those elements referred to the incorporation of the environmental dimension in both municipal development and agricultural development policies, and the link between environmental management and macroeconomic policies.

66. The latter element deserved special mention in view of the contribution which ECLAC hoped to be able to make in support of the participation of the countries of the region in the forthcoming United Nations Conference on Environment and Development, to be held in 1992.

67. With regard to activities on human settlements, which were carried out in conjunction with the United Nations Centre for Human Settlements (HABITAT), he made special reference to the preparation of studies on the evolution of housing conditions and human settlements and the management of metropolitan areas, as well as the operational activities with regard to training programmes in municipal administration and finances.

68. Several representatives expressed their interest in the co-ordination of the activities of the subprogramme with those carried on by the various bodies of the United Nations system in the region, especially in connection with the preparation of the forthcoming United Nations Conference on Environment and Development.

69. One representative requested that, in view of the submission at a future date of a document to the regional preparatory meeting for that Conference, specific reference should be made to the concept of environmentally sustainable development in element 7.3 "Link between environmental management and economic policies".

70. With regard to that same programme element, another representative emphasized the importance of co-ordination with the health sector through the Pan-American Health Organization (PAHO).

71. Another delegate made particular reference to programme element 7.3 to stress how important it was that it should reflect specific points, identified in sub-paragraphs j), k), l) and m) of paragraph 15 of General Assembly resolution 44/228 on the United Nations Conference on Environment and Development, regarding the need to obtain new and additional financial resources for environmental programmes and the funding mechanisms that should be considered.

72. Another representative spoke of the need to establish a common position of Latin America and the Caribbean in the coming negotiations on such issues as a possible international convention on climatic changes. He also emphasized that particular importance should be given to Caribbean environmental problems in the Environmental Plan of Action for Latin America and the Caribbean, noting how important it was that the environmental variable should be incorporated into the development policies and programmes of the Caribbean countries. He also stressed the importance of knowing what non-governmental organizations were doing in the environmental field in that subregion and expressed his concern that all member countries should be involved in work on the environment. Specifically, he expressed interest in knowing which countries would be selected for the studies on municipal policies provided for in the corresponding programme element.

73. The Secretariat representative took due note of all the observations which had been made. With regard to the co-ordination of activities with the various bodies of the United Nations system, he said that such co-ordination had been practised for many years, and a good example of it was the existence of the Joint ECLAC/UNEP Development and Environment Unit, which had been a pioneer in its field in the United Nations system.

74. With regard to the preparation of the United Nations Conference on Environment and Development scheduled for 1992, the Secretariat representative explained that a great deal of information on the activities which would be carried out in 1990 and 1991 had been circulated, and a timetable had been distributed to all delegations in that connection.

75. He made it clear that the question of environmentally sustainable development was one of the leading concerns of ECLAC and included both the subprogramme activities and those specifically connected with the preparations for the Conference. With regard to the links with PAHO, he took note of the observation that specific mention should be made of such co-ordination in the final version of the document.

76. Finally, with regard to the suggestion that a specific and pragmatic approach should be adopted in the Environmental Plan of Action to take account of the special features of the Caribbean subregion, he referred to the Seventh Ministerial Meeting on the Environment in Latin America and the Caribbean, to be held in October 1990, which would discuss, under the auspices of UNEP, the details concerning the subregional adaptation of that Plan. The proposals put forward in that Plan would constitute important inputs for the regional preparatory meeting to be organized by ECLAC for the United Nations Conference on Environment and Development.

77. After hearing the clarifications given by the Secretariat representative, the Committee approved subprogramme 7.

Subprogramme 2: Economic development

78. The representative of the Secretariat described the contents of the subprogramme and said that an attempt had been made to improve its presentation by including therein only the activities on the subject being implemented by the Economic Development Division. The other activities of the former programme "Development issues and policies" had been included in subprogramme 3 "Economic and social planning", which covered the activities of ILPES, and in subprogramme 11 "Statistics and economic projections", which combined the activities of the Economic Projections Centre with those of the Statistics and Projections Division.

79. The structure of the subprogramme was based on two major, clearly differentiated programme elements. The first, 2.1 "Analysis of the economies of Latin America and the Caribbean" was responsible for the periodical publications entitled Economic Survey of Latin America and the Caribbean, Preliminary Overview of the Latin American Economy and Economic Panorama of Latin America. The latter was published in the third quarter of every year in order to provide an advance account of economic affairs.

80. The second major element, "Analysis of development strategies and economic and social policies in Latin America and the Caribbean", sought to survey topics of fundamental importance to the countries of the region in the 1990s such as development with equity; the external debt and transfer of resources abroad; growth constraints; development strategies and the transformation of production; experiences with economic policies designed to achieve economic reactivation on a stable and equitable basis; and the evolution of the external debt of Latin America and the Caribbean.

81. The representatives favourably received the presentation of this subprogramme and approved it.

Subprogramme 10: Transnational corporations

82. The representative of the Secretariat began his presentation on this subprogramme by indicating that the Joint ECLAC/CTC Unit on Transnational Corporations was the focal point in Latin America and the Caribbean for the activities of the United Nations Centre on Transnational Corporations (UN/CTC). Therefore, the work had to conform both to the mandates of member Governments of ECLAC and to the guidelines laid down by UN/CTC.

83. The activities of the subprogramme would cover the study of the contribution of transnational corporations to changing production patterns and international competitiveness; the reinforcement of national capabilities for negotiating with transnational corporations; and the contributions made to the development of small-and medium-sized industries, in respect of transnational corporations, by participation in the implementation of the EMPRETEC Programme of CTC.

84. A representative expressed support for the subprogramme and, referring to programme element 10.3, made specific enquiries about the progress of the EMPRETEC programme in the region.

85. The representative of the Secretariat thanked the delegations for their support of the subprogramme and said that the EMPRETEC programme was being carried on in several countries of Latin America. It had initially been implemented in Argentina as a pilot scheme which had attained excellent results that culminated in the establishment of the EMPRETEC Foundation; it had acted as a catalyst for technology-intensive projects and small- and medium-sized enterprises. Later, the EMPRETEC Programme had expanded to include Uruguay, southern Brazil and Chile. More recently, preparatory studies had been started with a view to launching an Andean EMPRETEC programme for the member countries of the Cartagena Agreement, which would focus on integration.

86. The programme element under consideration was linked to the two other elements of the same subprogramme in that it was directly related to the modernization of production and technology, and it also supported work oriented towards the development of a system of information on foreign investment and technology.

87. The Committee approved subprogramme 10.

Subprogramme 12: Transport

88. The representative of the Secretariat outlined this subprogramme, whose main objective was to support the efforts being made by the countries of the region to make physical infrastructure more efficient and strengthen the institutional frameworks of public and private bodies involved in transport.

89. It was made up of three general elements: the first was on the management of the transport sector, the second on land and urban transport, and the third on maritime and multimodal transport.

90. A representative noted that the subprogramme made no mention of the work of the International Maritime Organization (IMO) nor of regional transport.

91. The representative of the Secretariat clarified that point, stating that ECLAC was implementing a project jointly with IMO and said he was taking due note of the need to strengthen activities relating to inter-island transport that had been carried out in the past by the Transport and Communications Division. He agreed that transport problems were a barrier to international trade which was of particular importance to the Caribbean subregion, since most of the Caribbean countries were islands.

92. Another representative expressed agreement with the subprogramme and requested that the Latin American Integration Association, which was working in the field of multimodal transport, should be mentioned in element 12.3 "Maritime and multimodal transport" under the item on co-operation relations. The Secretariat representative took due note of that comment.

93. Subprogramme 12 was approved by the Committee as proposed.

Subprogramme 13: Subregional activities in Mexico and Central America

94. In introducing subprogramme 13, the representative of the Secretariat noted that all activities carried out by the ECLAC Subregional Headquarters in Mexico, which served Mexico and Central America, were for the first time contained in a single programme unit. The activities concerned, especially those of a sectoral nature, complemented related activities carried out by specialized divisions at ECLAC headquarters. The subprogramme consisted of two main programme elements, each of which dealt with related subjects. The first programme element consisted of various activities of a global, interdependent nature, including the analysis of economic and social development, international trade and economic integration. The second programme element covered sectoral activities of special importance for the subregion, including food and agriculture, industrial development and energy.

95. The work on global aspects of development included the yearly preparation of notes on the economic evolution of the ten countries served by the Subregional Headquarters, the publication of the chapter on Mexico contained in the Economic Panorama of Latin America, and studies and technical assistance in connection with reactivation and public investment policies.

96. The work carried out under the subprogramme would also include an analysis of the characteristics and dynamics of social groups (low-income groups, in particular), strategies to eradicate critical poverty in Central America, studies on the role of women in development, and technical publications aimed at strengthening the process of integration in the Central American countries and international co-operation with the Central American subregion.

97. With regard to sectoral questions, the representative of the Secretariat identified activities in the area of food and agriculture to be carried out jointly with FAO (in an approach similar to that of subprogramme 1, to be carried out at ECLAC headquarters in Santiago by the Joint ECLAC/FAO Agriculture Division). He also laid stress on tasks relating to the electric power sector, including specialized technical publications on interconnected electricity systems and systems for the generation, transmission and distribution of electric power within Central America.

98. One representative said his Government was particularly interested in the strengthening of links between Central America and the Caribbean.

99. Another representative referred to the meeting of Presidents of the countries of the subregion to be held in Guatemala in June 1990, which would deal with economic questions from the point of view of the consolidation of the process of restoring peace to Central America, which was showing considerable progress. That meeting would complement the results of the meeting held at Esquipulas, whose focus had been on the political aspects of the same question. In that connection, he mentioned the reference document which the ECLAC Subregional Headquarters in Mexico was to prepare for the preparatory meeting of the inter-agency commission whose membership comprised subregional bodies working in the field of economic and social development.

100. Another representative expressed satisfaction concerning the new approach taken by the subprogramme under consideration, saying he felt it facilitated decision-making and programme follow-up. He expressed the view that an attempt should be made to adapt ECLAC's line of action to the actual situations of the countries of the subregion in support of the effort to change production patterns with social equity and also that the subregional and intraregional co-operation needs of those countries should be reflected in the subprogramme. In addition he referred to the importance of the question of Mexico's trade with Central America and asked that a note should be prepared containing proposals of ways in which that trade could be increased. He also said his Government attached great importance to the work in support of small and medium-sized industry. Finally, he drew attention to the desirability of adding some other bodies from the region to the list on page 109 of the Spanish version of document

LC/G.1600(SES.23/8). This was duly noted by the Secretariat representative. He also reiterated the need expressed earlier by another representative for greater co-operation between the ECLAC Subregional Headquarters in Mexico and the ECLAC Subregional Headquarters for the Caribbean in Port of Spain.

101. After thanking the participants for their comments, the representative of the Secretariat confirmed that the document for the above-mentioned inter-agency commission had already been prepared. He also confirmed that the findings of the document on changing production patterns with social equity would be put into practice in the light of the special characteristics of each country in the subregion. With regard to support for small and medium-sized industry, he provided information concerning a project funded by extra-budgetary resources which was expected to issue documentation in that connection.

102. The Committee approved subprogramme 13.

Subprogramme 14: Subregional activities in the Caribbean

103. In introducing this subprogramme, the representative of the Secretariat noted that its innovative presentation as a separate subprogramme at the same level of importance as the Commission's traditional thematic subprogrammes was in response to a long-standing desire on the part of the Caribbean countries to provide the activities of the ECLAC Subregional Headquarters with their own identity in the programme of work. The list of programme elements alone attested to the subprogramme's broad subject-matter coverage, inasmuch as it included an economic survey of the countries of the subregion, economic and social planning, science and technology, social development --covering social and socio-cultural development aspects and the integration of women into development--, population, natural resources and environmental management, economic and social information and documentation, and international trade and development financing.

104. The subprogramme also included support to the countries of the Organization of Eastern Caribbean States (OECS), general information services and the organization and provision of substantive services to the intergovernmental meetings of the subregion, especially those of the Caribbean Development and Co-operation Committee (CDCC).

105. One representative drew attention to the desire of the member countries of CDCC to find ways of strengthening integration processes between Latin America and the Caribbean, to which he felt that a recent Mexican initiative had contributed in a very positive way. He stressed the urgent need to analyse and strengthen activities that might lead to that result, and expressed the

Caribbean countries' concern about the risk of growing isolation of the subregion if that course of action were not taken.

106. The representative added that the countries of the Caribbean were generally satisfied with the work of the Subregional Headquarters. They were concerned, however, that the draft programme of work had not included agricultural and transport activities. Also, significant advances could not be make in international trade and development financing unless those issues were approached within the context of the desired integration between the Caribbean and Latin America. There was a need for ECLAC, from its headquarters in Santiago, to supplement the work contained in the subprogramme and to initiate or increase assistance to the Caribbean countries in the aforementioned areas. There was also a need to expand TCDC activities with ECLAC support in such areas as the removal of linguistic barriers.

107. The representative of the Secretariat said that steps would be taken to ensure that the regional activities to be undertaken by ECLAC headquarters in the areas mentioned would duly take into account the Caribbean countries.

108. Another representative said that his delegation shared the views expressed, and that his country was also concerned about the risk that the Subregional Headquarters might duplicate efforts in respect of the environment being carried out by the United Nations Environment Programme (UNEP) through its regional office in Kingston, Jamaica. In that context, he stressed the advisability of ensuring that the efforts of both bodies were complementary.

109. Lastly, he expressed his interest in programming the activities of the ECLAC Subregional Headquarters for the Caribbean more flexibly, so that they could be adapted to any changes that might be made at the next CDCC meeting.

110. With regard to the last-mentioned point, the representative of the Secretariat said that it would consider the necessary adjustments in the subprogramme, where required, subject to the constraints imposed by the United Nations regulations and rules governing programme and budget planning.*/

111. Another representative agreed, for her part, that the subprogramme should be formulated with greater flexibility and that it should not be seen in isolation from the rest of the overall ECLAC work programme. She also expressed her Government's interest in promoting greater integration between the Caribbean

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*/ United Nations, Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, Secretary-General's Bulletin (ST/SGB/PPBME Rules/1(1987)).

subregion and Latin America and in the promotion of TCDC activities. Her country was also interested in making the CDCC more flexible in the near future. Lastly, she referred to the question of increasing the recruitment of women in the United Nations, especially at the regional level, in accordance with relevant United Nations resolutions and policy.

112. The representative of the Secretariat duly noted all the comments and explained that the necessary complementarity between ECLAC and UNEP environmental activities already existed. He also clarified the fact that, although they were not included in the document, joint activities were being carried out by the Subregional Headquarters with intergovernmental organizations and United Nations specialized agencies working in the subregion in the areas of transport, agriculture and international trade. He also confirmed that the concept of TCDC promotion was present in all the activities being carried out by the Secretariat for the subregion.

113. The Committee adopted subprogramme 14.

Subprogramme 3: Economic and social planning (agenda item 4 c)

114. The Director General of ILPES began his presentation by explaining that the Institute's programme of work for each biennium was approved by the Commission at the corresponding session. Within that general framework, the details of its implementation were examined by the Regional Council for Planning, which was composed of the 38 member Governments of ILPES. In addition, a regular session of the Presiding Officers of the Council was held once or twice a year for the purpose of overseeing the activities of the Institute.

115. He drew the participants' attention to the guidelines established for the Institute in resolutions adopted at each of the last three sessions of ECLAC. The activities carried out in 1988-1989, as well as those planned for the forthcoming biennium, were in keeping with those guidelines. He then summed up the principal results of the work performed by the Institute in 1988-1989, which were covered in the report that had been furnished to the Governments.

116. With respect to the subject of macroeconomic planning and policy co-ordination, he described the approaches developed by the Institute for promoting the decentralization of the decision-making process and an increase in the efficiency of the State. That area of endeavour included the design, refinement and application of a model for the compatibilization of medium-term economic policies which was already in use in eight countries. In referring to the work done in the area of public-sector programming, social policy and regional planning, he highlighted the development of more modern techniques of resource allocation and the linkage of

planning with public management; the assessment of social policies and projects; new modes of financing and managing those policies; and operational techniques for regional analysis and planning.

117. He then spoke about the Institute's long-standing training and advisory assistance programmes. In describing the former, he devoted particular attention to the international course held in Santiago, Chile, and to the training programme conducted in Barbados for the Caribbean countries by the Institute in conjunction with the World Bank (Economic Development Institute (EDI)). He then referred to the many courses offered in other specializations, such as the environment, the administration of non-governmental organizations, social project management, information sciences, and municipal and local planning. In regard to the advisory services provided to the countries with the support of IDB, he underscored the progress made in connection with project banks and investment programming. Finally, in discussing the activities conducted in the areas of co-operation among planning bodies and public policy co-ordination, he drew a distinction among those carried out by the Regional Council for Planning, by the System for Co-operation and Co-ordination among Latin American and Caribbean Planning Bodies (SCCOPALC), and by ILPES itself.

118. He went on to speak about the adjustment effort which the Institute had been called upon to make during the 1980s. In the past few years ILPES had been run on less than half the amount of real resources it had had at its disposal at the beginning of that decade. The decrease in funding had obliged the Institute to raise its productivity more than threefold and to step up its inter-agency co-ordination efforts. The report presented at the current session showed that the Institute had served as a catalyst for the work of 109 different institutions, 27 of which were universities. Thus, between 1988 and 1990 ILPES had managed to fulfil the requests of at least 34 countries in the region.

119. In response to statements made by several heads of delegations, he thanked the English-speaking countries of the Caribbean for their support. He asserted that with even a small amount of backing from developed countries would enable ILPES to provide considerably greater assistance to that subregion as well as to Central America and Panama. Although they were assigned a high priority, the Institute lacked the specific resources it would need to meet all of the many requests for advisory services which it received. The support of the more developed countries might well be decisive in determining whether the Institute would be able to increase its capacity to serve the countries in that regard.

120. In concluding his remarks, he spoke of the enormous importance to the Institute's work of its co-operation with other institutions such as PAHO, OAS, CLAD, UNICEF, FAO, UNDP and especially the Inter-American Development Bank and the World Bank. He expressed his appreciation for the support for its activities which ILPES had

received from its member countries and for the assistance furnished by the Netherlands and, more recently, by Italy in connection with its training activities.

121. The work carried out by ILPES and its programme of work for 1992-1993 were favourably received and unanimously approved by the Committee.

Subprogramme 8: Population (agenda item 4b)

122. The Director of CELADE discussed the main lines of the Centre's activity, reported on the work accomplished during the period 1988-1989 and outlined its draft programme of work for the biennium 1992-1993. He stressed the importance of a sound socio-demographic analysis in designing policies aimed at improving the level of well-being of all sectors of the population through development. In order for demographic analysis to contribute to the formulation of social policies, however, it had to be of an interdisciplinary nature. That would require a high degree of collaboration among the different bodies of the United Nations, as well as a close scientific and academic relationship with centres of excellence both within and outside the region.

123. He then noted how the above-mentioned principles had been taken into account both in the implementation of the 1988-1989 programme of work and in the design of the 1992-1993 draft programme of work. He drew attention to the crucial importance of the extrabudgetary contributions received from the United Nations Population Fund (UNFPA) and from the Governments of Canada, the Netherlands and France, to all of which he expressed his gratitude. In that connection, he made special reference to the completion of the Centre's own building in 1988, which had been financed entirely with such resources.

124. He mentioned in conclusion that the General Assembly would shortly give consideration to the possibility of convening a third world population conference in 1994. If such a conference were to be held, it would be advisable to make plans now to convene a regional preparatory conference during 1993, for which CELADE would serve as the technical secretariat. Those activities had not as yet been explicitly incorporated into the work programme for 1992-1993.

125. Several representatives congratulated CELADE on the work it had accomplished during the 1988-1989 biennium and on the orientation and content of its draft programme of work for 1992-1993. One representative requested that CELADE undertake population and health-related activities in his country.

126. The programme of work of CELADE for 1992-1993 contained in subprogramme 8 and its report on activities for the period 1988-1989 were approved.

Some recent resolutions and decisions adopted by United Nations organs which require to be brought to the attention of the Commission (agenda item 6)

127. The representative of the Secretariat presented the note "Some recent resolutions and decisions adopted by United Nations organs which require to be brought to the attention of the Commission" (LC/G.1616(SES.23/19), and said that it had been prepared in order to draw the Commission's attention to a number of resolutions and decisions adopted at the forty-fourth session of the General Assembly which were directly related to the work of the Commission.

Other business (agenda item 7)

128. The representative of the Secretariat, referring to the informational note "International co-operation in trade facilitation" observed that, as was well known, an efficient transportation system was crucial to the development of national economies. He also emphasized the importance of expediting the transit of goods through border terminals and posts through the rationalization and harmonization of the norms governing procedures and documentation, a process known as "trade facilitation".

129. He noted that attention had first been drawn to the effects of restrictive documentary or procedural requirements by the Economic Commission for Europe (ECE), when it established a working group on the facilitation of international trade procedures. One of the principal achievements of that group was the adoption in 1963 of what was currently known as the United Nations layout key for trade documents, which had to date been used to simplify a large number of trade and transport documents throughout the world, permitting savings of nearly 75% in the cost of their preparation.

130. Finally, the Secretariat representative noted that in 1989 the Executive Secretaries of the five regional economic commissions of the United Nations, together with UNCTAD, had agreed to design a project on interregional co-operation for the facilitation of trade, based on the above-mentioned guidelines, in which ECLAC would participate.

131. The Committee took due note of the statement by the Secretariat representative.

Calendar of Conferences for the period 1990-1992 (agenda item 8)

132. The Secretariat representative presented the document entitled "Proposed calendar of conferences of ECLAC for the period 1990-1992. Note by the Secretariat" (LC/G.1614(SES.23/6)). He indicated that in accordance with the relevant resolutions of ECLAC, at each biennial session of the Commission it was incumbent upon the member

countries to consider and approve a calendar of conferences for the period up to the following session. Mention was made of the in-depth reviews of the intergovernmental structure of the Commission which had been carried out on two recent occasions. By resolutions 419 (PLEN.14) of 1980 and 489 (PLEN.19) of 1989, the Committee of the Whole had decided to maintain the existing institutional structure of ECLAC and of the ECLAC system (including ILPES and CELADE), while rationalizing the way in which it functioned. That basic intergovernmental structure was outlined in annex 2 of document LC/G.1614(SES.23/6), and the financing for the meetings was included in the regular budget of ECLAC.

133. The representative then referred to the question of regional preparatory meetings for world conferences of the United Nations, recalling that the General Assembly had on numerous occasions entrusted both substantive and organizational responsibility for those meetings to the regional commissions. The General Assembly of the United Nations had either approved or was in the process of considering three world conferences to be held in the coming years on the subjects of environment and development (1992), population (1994) and women in development (1995). With respect to the topic of the environment, the Committee took note of the fact that the General Assembly had requested the regional commissions to hold regional preparatory meetings and had allocated funds for that purpose, as well as of the very generous offer of the Government of Mexico to host the Latin America and Caribbean regional preparatory meeting, which was to be held in May/June 1991. The member Governments also noted the Secretariat's willingness to organize and hold a regional preparatory meeting on population if the General Assembly were to decide to entrust that responsibility to ECLAC and provide funds for that purpose. Since population was one of the subjects specifically assigned to CEGAN by ECLAC resolution 357(XVI), it was proposed that preparations for the Latin American and Caribbean regional preparatory meeting should be considered at the regular session of CEGAN to be held in 1992. The Committee further noted the proposal made at the ninth meeting of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean (Guatemala City, September, 1989) to hold the fifth and sixth sessions of the Regional Conference in 1991 and 1994, respectively, so that the sixth session could also serve as the Latin American and Caribbean regional preparatory meeting for the world conference on that topic to be held in 1995.

134. Finally, the Committee noted that it was necessary to give the Executive Secretary a certain degree of flexibility in view of the fact that ECLAC, as was also true of other regional commissions, sometimes received mandates from higher bodies to hold meetings on specific topics. If circumstances changed, it might also become necessary to change the date or venue of a meeting.

135. The Committee then addressed its attention to the proposed calendar of conferences for the period 1990-1992 set forth in annex 5 of document LC/G.1614(SES.23/6). The Secretariat representative informed the Committee that all of the intergovernmental meetings scheduled for the period under consideration could be financed from the regular ECLAC budget under the item "policy-making organs", with the exception of the regional preparatory meetings on the environment and on population, for which the General Assembly would have to make the appropriate budgetary provisions.

136. The Committee adopted the Calendar of Conferences as proposed.

Consideration and adoption of draft resolutions to be submitted by Committee II to the Plenary

137. The Committee went on to consider draft resolutions concerning the following matters: i) the calendar of conferences of ECLAC for the period 1990-1992; ii) the programme of work of ECLAC for the period 1992-1993; iii) work priorities for the Latin American Demographic Centre (CELADE); iv) the role of women in economic and social development in Latin America and the Caribbean; and v) guidelines for the work of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) vis-à-vis the new situations facing the region.

138. After the representative of the Secretariat had indicated that the draft resolutions on the above-mentioned subjets had no financial implications for ECLAC, they were approved by the Committee by consensus.

139. Following the approval of the draft resolution concerning the Calendar of Conferences for the period 1990-1992, the representative of the United Kingdom requested that the following statement should be placed on record: "The evidence for the affirmation in paragraph 2 is not immediately obvious to my delegation. The present wording suggests an unsubstantiated degree of complacency. My delegation wishes to make clear that when ECLAC asks the Executive Secretary 'to continue his efforts', we understand that to mean his efforts to maximize the efficiency of conference service and to rationalize the ECLAC calendar of meetings and conferences so that member States are better able to supervise and follow ECLAC's work."

140. The Committee then considered the draft resolution on the activities of ECLAC in the fight against drug abuse. The representative of the Secretariat informed the Committee that the adoption of that resolution would create a requirement for an additional professional staff member. That post would have to be financed from the regular budget of ECLAC during the 1992-1993 biennium at an estimated cost of US$ 60 000 per calendar year. The resolution was approved by acclamation. The following

representatives then asked that their positions should be set forth in the report.

141. The representative of the United States made the following declaration: "Drug abuse is an issue of utmost priority to the United States and to the other member States of ECLAC which sponsored this resolution. For this reason we have joined in the consensus in adopting this resolution.

"We believe that it is incumbent upon ECLAC to shift resources to new priorities designated by member States. We would expect that the new positions described in the sixth preambular paragraph of the resolution would be accommodated within the confines of zero real growth of the 1992-1993 biennium budget through the shifting and redeployment of resources."

142. The representative of Canada made the following statement: "In joining a consensus in this resolution the Canadian Government stresses the need to reallocate resources from within ECLAC and to work closely with such drug agencies as CICAD and UNFDAC to ensure that efforts are not duplicated and that ECLAC actively supports and enhances ongoing international and hemispheric drug control activities."

143. The representative of the United Kingdom said that "My delegation, like others, gives high priority to the issue of drugs but my delegation also believes that the Secretariat, instead of swiftly attaching additional financial implications to this resolution, should make every effort before finalizing its budget proposals for 1992-1993 to redeploy the resources available to it, in line with the amended priorities, so that additional funding is not necessary. We expect the costs to be met within the existing level of expenditure approved for the United Nations regular budget as a whole. My delegation reserves the right to make further comments on this issue at subsequent stages in the budgetary examination process."

144. The representatives of Mexico and Guatemala then requested that the following statement should be entered in the report: "The issue of drugs is of great importance and should be assigned sufficient funding; we therefore reserve the right to comment upon budgetary questions during this stage. Nevertheless, inasmuch as there are other important programmes that have already been approved by this Committee, we wish to emphasize that these programmes, to which our countries give priority, should not be impaired."

145. The Committee then proceeded to consider the draft resolution on activities of ECLAC in the field of the environment. The representative of the Secretariat informed the Committee that the adoption of that resolution would create a requirement for an additional professional staff member. That post would have to be

financed from the regular budget of ECLAC during the 1992-1993 biennium at an estimated cost of US$ 60 000 per calendar year. The resolution was approved by acclamation. The following representatives then asked that their positions should be set forth in the report.

146. The representative of the United States made the following statement: "The environment is an issue of utmost priority to the United States and to the other member States of ECLAC which sponsored this resolution. For this reason we have joined in the consensus in adopting this resolution. We believe that it is incumbent upon ECLAC to shift resources to new priorities designated by member States and we would expect that the new positions described in paragraph 6 of the resolution would be accommodated within the confines of zero real growth of the 1992-1993 biennium budget through the shifting and redeployment of resources."

147. The representative of Canada requested that the following statement should be included in the report: "Canada strongly supports the attention that ECLAC has given and will give to the subject of the environment. In the implementation of this resolution we consider that some reordering of priorities will be necessary; for example, we would not be in favour of any postponement of work on sustainable development pending the availability of new voluntary resources."

148. The representative of the United Kingdom stated that "My delegation, like others, gives high priority to the issue of the environment but my delegation also believes that the Secretariat, instead of swiftly attaching additional financial implications to this resolution should make every effort before finalizing its budget proposals for 1992-1993 to redeploy the resources available to it, in line with the amended priorities, so that additional funding is not necessary. We expect the costs to be met within the existing level of expenditure approved for the United Nations regular budget as a whole. My delegation reserves the right to make further comments on this issue at subsequent stages in the budgetary examination process."

149. The representative of Mexico made the following statement, which was endorsed by Guatemala and Uruguay: "Once again, as in the case of the resolution on drug abuse, I wish to express our concern about the questioning of resolutions on the basis of budgetary considerations. We do not feel that an issue of such importance as this should be determined by the outcome of a search for funds based on the suppression of activities in other areas. The reduction of other activities to which we assign priority would be unacceptable."

150. The Committee then proceeded to consider its report to the Plenary. The Rapporteur summarized of the work of the Committee and presented the draft report.

151. Committee II adopted its report to the Plenary unanimously.

Annex 3

# REPORT OF THE SESSIONAL COMMITTEE ON CO-OPERATION AMONG DEVELOPING COUNTRIES AND REGIONS */

## A. ORGANIZATION OF WORK

1. The Sessional Committee on Co-operation among Developing Countries and Regions met on 7 and 8 May 1990.

2. The Committee elected the following Officers:

| | |
|---|---|
| Chairman: | St. Lucia |
| First Vice-Chairman: | Brazil |
| Second Vice-Chairman: | Costa Rica |
| Third Vice-Chairman: | Ecuador |
| Rapporteur: | Chile |

## B. AGENDA

3. The Committee adopted the following agenda:

1. Election of Officers
2. Adoption of the agenda
3. Report on activities to promote and support co-operation among developing countries and regions carried out by the ECLAC system since the preceding meeting of the Committee at the twenty-second session of the Commission
4. Guidelines for future activities of the ECLAC system to promote and support co-operation among developing countries and regions at the regional, subregional and interregional levels
5. Other business
6. Adoption of the report.

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*/ This report was submitted to the Plenary as document PLEN/9.

## C. SUMMARY OF DEBATES

4. On taking up his office, the Chairman said that the main purpose of the work of the Committee was to examine the progress made by ECLAC in the implementation of the mandates deriving from the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries and those received at the eighteenth session of the Commission itself. He noted that the seriousness of the economic problems affecting the region made it increasingly necessary to resort to various forms of Technical Co-operation among Developing Countries (TCDC) for the execution of many programmes and projects. He reported on the steps being taken to secure approval by the Governing Council of UNDP and the respective organs of other agencies of the system for the changes needed in order to give TCDC a more important role in technical co-operation programmes. He strongly believed that, notwithstanding the considerable progress made by ECLAC in various matters related to TCDC, it should redouble its efforts to correct the weaknesses which still existed in the national focal points. Finally, he expressed his hope that the discussions in the Committee would lead to a search for ways of overcoming those limitations and stressed the importance of the results of the recent meeting of government experts convened by the Administrator of UNDP in April 1990 in New York.

5. The representative of the Secretariat presented the working document entitled "Activities of the ECLAC system to promote and support technical co-operation among developing countries and regions" (LC/G.1611(SES.23/12)), which reviewed the work done by ECLAC during the first ten years of the application of the Buenos Aires Plan of Action and described the activities carried out since the twenty-second session of the Commission.

6. He said that the role of the Committee was to provide the Secretariat with guidelines for giving priority to those aspects or topics in the programme of work of the Commission which could be dealt with through the use of co-operation among developing countries, as well as to strengthen its links and co-ordination with other bodies inside and outside the United Nations. He also noted that while the subject of TCDC did not figure as a specific part of the ECLAC programme of work, it supported and stressed the execution of co-operation actions as a modality and orientation for all of ECLAC's activities.

7. ECLAC had used various operational modalities for the promotion of TCDC, including the provision of services for establishing or strengthening national information systems; the inclusion of concrete TCDC opportunities in technical studies on sectors of importance to the countries; the formulation and execution of specific projects oriented towards TCDC; the establishment of TCDC networks involving the participation of real

agents of co-operation, including the private sector; the provision of technical support to the national TCDC focal points, in close co-operation with the UNDP Special Unit for Technical Co-operation among Developing Countries; co-ordination with the regional organizations that participated actively in the promotion of TCDC, such as the Latin American Economic System (SELA); and consultation and co-ordination with the other United Nations regional economic commissions with a view to undertaking initiatives for strengthening TCDC at the interregional level.

8. He then gave a summary of activities which had been executed by means of TCDC in a wide range of specific projects carried out with extrabudgetary financing from both multilateral and bilateral sources.

9. He also referred to the support provided to various TCDC initiatives in the region relating to specific sectors such as mining and metals, development planning, information, seabed mining, etc.

10. He then summarized the ECLAC activities carried out in collaboration with other regional commissions in order to identify and execute projects involving technical co-operation between their respective regions on topics or in sectors of special importance to them, as well as the joint steps taken to obtain the financial support needed in order to execute such projects. In that respect, he made special mention of the initiatives for the exchange of experience between Africa and Latin America regarding the formulation and application of technological development policies and the training provided to some officials from African countries in the development planning and demography courses given by ECLAC.

11. Finally, he made reference to the substantial horizontal co-operation efforts made by the Government of Brazil and the TCDC activities carried out by the Government of Argentina, both within the region and in Asia and Africa, in co-operation with ECLAC and UNDP.

12. The Secretariat representative presented to the Committee the "Revised guide to technical co-operation among developing countries (TCDC): Supply and directory of institutions"* which had been expanded and updated, with the financial aid of the Government of the Netherlands and in close collaboration with the countries of the region, in order to facilitate the work of national TCDC focal points.

13. The delegations took note of the work done by the Secretariat and expressed their satisfaction at the progress made in the promotion and use of TCDC. They also expressed the hope that the

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* See document LC/G.1612.

United Nations would continue to move forward in regard to the allocation of resources for TCDC. In that connection, it was reported for the information of the Committee that there was a possibility that the UNDP Governing Council might soon adopt agreements that would permit TCDC activities to be channelled through UNDP regional projects.

14. The Committee provided the Secretariat with various guidelines for its TCDC activities during the coming biennium, with priority being attached to the need to institutionalize and strengthen the national TCDC focal points and to the continued co-operation of ECLAC with the Governments for that purpose, as reiterated at the meeting of national directors of technical co-operation held in Caracas in January 1990. Emphasis was also placed on the need for the institutions of the United Nations system and the regional and subregional bodies to act in the most co-ordinated manner possible in order to support TCDC in the region. The importance of co-ordination in respect of information for TCDC was also stressed.

15. Mention was made of the advisability of setting up high-technology systems for exchanging the information contained in data banks concerning opportunities and requests for horizontal co-operation to which the countries could gain direct access with a view to expanding their TCDC activities. A number of possible means of carrying out such an exchange in the future were discussed. In the course of that discussion mention was made of the possibility of distributing diskettes containing information on the subject to the countries and even of establishing an electronic network which would provide the countries with direct access to the information stored in the Information Referral System (INRES) and ECLAC data banks.

16. One representative voiced his concern about the fact that some of the relatively more developed countries in the region needed to find new means of obtaining technical co-operation while at the same time providing TCDC to the rest of the countries. He was confident that the Secretariat would support them in that endeavour.

17. Another representative expressed interest in obtaining as much information as possible about sources of financing for TCDC and about the terms and conditions under which such financing was provided by each source.

18. The representative of the Permanent Secretariat of SELA reported on the various activities being carried out in the field of TCDC. During the past four years an annual meeting of directors of international technical co-operation had been held in the framework of the ad hoc committee on TCDC of the Latin American Council of SELA with the help of technical and financial support from the UNDP Special Unit for TCDC. Stress was laid on the importance for Latin American and Caribbean countries of

consulting on and co-ordinating their international technical co-operation policies and activities and of taking a concerted position in regard to such policies and activities in the various international forums. Along those lines, the Governments of the member countries of SELA had identified their national priorities with a view to defining the subject areas to be dealt with in the TCDC regional programming and negotiating exercises conducted in co-ordination with the UNDP Special Unit.

19. He also reported on the continuing support provided to the TCDC national focal points for the purpose of strengthing their human and technical resources. Background information was also provided on the TCDC information system which had been set up with technical and financial assistance from the Inter-American Development Bank (IDB) acting in co-ordination with the UNDP INRES-SUR system, which would serve as a tool for use in multilateral negotiations. Support had also been sought from the UNDP Special Unit with regard to the preparation of a directory of financial sources for TCDC. Finally, he referred to the importance of the annual meetings held within the framework of SELA of the co-ordinating mechanism of regional bodies and units which carried out TCDC activities at regional level; the object of those meetings was to ensure an optimum use was made of the available resources and to prevent duplication. In that connection he noted the need for continuing co-operation between ECLAC, the UNDP Special Unit, SELA and other relevant regional bodies.

20. The representative of UNDP reported to the Committee on the various activities and initiatives which the UNDP Special Unit on TCDC supported in Latin America and the Caribbean in an effort to promote TCDC at both the intraregional and interregional levels. She referred to the ongoing co-operation which had been taking place among bodies in the region to promote such aspects of TCDC as the strengthening of focal points, the formulation of appropriate legislative frameworks for co-operation, information on the availability of and need for TCDC and training. With support from project INT/83/904, the Unit had helped carry out nine TCDC programming exercises in the region, the first of which had been conducted in Peru in 1986. Support had also been provided for the annual metings of national directors of international co-operation in Latin America and the Caribbean which had been held since 1986 and for the organization of the meeting of experts to identify obstacles to TCDC held in April 1990 in New York.

21. Noting the concerns which had been voiced in the Committee, she reported that the Special Unit was preparing an updated document concerning sources of financing for TCDC. She also mentioned the guide to TCDC focal points, which had already been issued, and the preparation of a manual on the training of TCDC trainers. In connection with that manual, she reported that the Special Unit could provide resources for holding training workshops in the countries. TCDC programming exercises in preparation

included: i) TCDC programming in the Caribbean subregion, scheduled for September 1990; ii) TCDC programming in the health sector (support for primary care strategies), in conjunction with SELA and the Pan American Health Organization (PAHO); and iii) international TCDC programming in the area of appropriate technologies for the construction of low-cost housing. With regard to TCDC information activities, she noted that the INRES-SUR data base was being developed for the purpose of decentralizing the system. At the regional level information activities were been co-ordinated with the initiatives taken by SELA, the Inter-American Development Bank (IDB) and ECLAC to establish a TCDC information network. Examples of co-operation among developing regions included two seminars on food technology held in Argentina with the support of project ARG/83/001, which was executed by ECLAC, and the establishment, with the support of India, of a physical rehabilitation organization in Nicaragua to produce orthopedic protheses (the "Jaipur foot"). Lastly, she reiterated the importance of co-ordination among bodies supporting TCDC within the region and with other regions.

22. At the close of its deliberations, the Committee approved a draft resolution on co-operation among developing countries and regions, to be submitted to the Plenary.

23. The Committee also adopted its report for submission to the Plenary.

Annex 4

# REPORT OF THE MEETING TO MARK THE CULMINATION OF THE INTERNATIONAL DRINKING WATER SUPPLY AND SANITATION DECADE*

## A. ORGANIZATION OF WORK

1. The Meeting to Mark the Culmination of the International Drinking Water Supply and Sanitation Decade held three meetings from 4 to 9 May 1990.

2. The Officers of the Meeting were as follows:

| | |
|---|---|
| Chairman: | Ecuador |
| Vice-Chairman: | Mexico |
| Rapporteur: | Costa Rica |

3. The participants had before them the following documents: "Drinking water supply and sanitation in Latin America and the Caribbean since Punta del Este" (LC/G.1591(SES.23/17)), prepared by the Secretariat; "Aspectos del financiamiento y tarifas para el abastecimiento de agua potable y saneamiento en América Latina y el Caribe" (AGP/2), prepared by the Inter-American Development Bank; "Situation of the water supply and sanitation sector at the end of the decade 1981-1990: Region of the Americas" (AGP/3), prepared by the Environmental Health Programme of the Pan American Health Organization; "The CESI-Profile Computerized Information Management System for Developing Country Planners" (AGP/5), prepared by the Environmental Health Programme of the World Health Organization; and "Management of water and sewerage companies in Latin America and the Caribbean: An urgent need for reform" (AGP/4), presented by the World Bank.

## B. AGENDA

4. The participants adopted the following agenda:

1. Election of Officers

2. Adoption of the agenda

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* This report was submitted to the Plenary as document PLEN/8.

3. Reports by international agencies on the progress achieved in the region during the International Drinking Water Supply and Sanitation Decade

4. Consideration by delegations of their Governments' views on the situation at the end of the International Drinking Water Supply and Sanitation Decade

5. Discussion of proposals for maintaining the impetus created by the Decade to the end of the century

6. The CESI-Profile Computerized Information Management System for Developing Country Planners

7. Other business

8. Adoption of the report.

## C. SUMMARY OF DEBATES

Reports by international agencies on the progress achieved in the region during the International Drinking Water Supply and Sanitation Decade (agenda item 3)

5. Reports were presented by the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO) and the World Bank.

6. The representative of the Inter-American Development Bank, in his presentation of the document prepared by IDB on aspects of drinking water supply and sanitation financing and scales of charges in Latin America and the Caribbean, emphasized the importance of strengthening the financial, operational and administrative aspects of water supply and sanitation in the region. He went on to describe the principal characteristics of the policy adopted on the sector by the IDB in 1984, whereby projects had to conform to the policy on rates and charges adopted by IDB in 1982. The general policy of the Bank on charges for public services was that "the rates of charges should cover operational and maintenance costs in respect of the services provided (including depreciation of the service installations), they should make provision for the expansion of services, and they should give a reasonable return on the replacement cost or the duly revalued investment". With respect to water supply and sanitation services in particular "the requirements as regards scales of charges may vary from a minimum covering the operational and maintenance costs, to a level of charges which includes depreciation costs, plus an adequate return on the revalued net investment, so as to generate resources for participating in the expansion of the system and also covering the debt service".

7. It was difficult in most countries to apply a scale of charges based on a reasonable rate of return on invested capital because of: i) high rates of inflation and the lack of a systematic revaluation procedure for past investments, and ii) the lack of appropriate accounting structures in most water supply and sanitation companies.

8. In response to those difficulties, the Bank had adopted a series of measures, including two programmes of regional technical co-operation, on rates analysis and the estimation of marginal costs, respectively, to help make the system more efficient. To that end, IDB had been exploring means of managing demand, rather than supply, through both administrative and price mechanisms.

9. The representative of IDB concluded his presentation by underlining the importance of determining the marginal cost of water in terms of drinking water supply for various policy purposes, including: i) decisions on scales of charges; ii) levels of investment to correct system leaks and losses; iii) decisions on the installation of water meters; and iv) water rationing.

10. The representative of PAHO presented the document entitled "Situation of the water supply and sanitation sector at the end of the decade 1981-1990: Region of the Americas", which provided a detailed programme and an evaluation of the progress achieved in the region during the International Drinking Water Supply and Sanitation Decade. He emphasized that despite the economic difficulties affecting the countries of the region, a number of them had made progress in expanding their drinking water supply and sanitation services.

11. By 1988, 88% of the urban population and 55% of the rural population had access to drinking water supply services, while 80% of the urban population and 32% of the rural population had adequate sanitation services. Those figures represented a net increase over the decade in both urban and rural drinking water supplies and in rural sanitation. Unfortunately, in the case of urban sanitation there had been a decrease in the proportion of the population served. At the same time, there had been a notable increase in water pollution from the disposal of both domestic and industrial waste water.

12. He noted that although life expectancy at birth had risen and infant and pre-school mortality rates had declined for Latin America and the Caribbean, mortality rates were still high compared with those of industrialized nations.

13. Despite the expansion of coverage achieved, much remained to be done. If universal coverage was to be achieved by the year 2000, 1.6 times more urban water supply services and 2.5 times more urban sanitation services would have to be provided than were furnished

between 1981 and 1988. Even just to maintain coverage, a major expansion of services would be required.

14. If the goal of providing better inputs so as to improve public health were to be achieved in the future, better quality service must be provided and many problems in the sector must be resolved, through, inter alia, increased political commitment; improved organization and institutional development; development of human resources; implementation and operation of effective planning and financial systems; improved operation, maintenance, rehabilitation and optimization of installed capacity; more intensive application of appropriate technologies; comprehensive incorporation of community participation, especially by women; better linkages with primary health care; greater intersectoral co-operation; and more intensive international co-operation and co-operation among the countries of the region.

15. In summary, the representative of PAHO concluded that the countries of the region were making progress towards the goals of the International Drinking Water Supply and Sanitation Decade. Nevertheless, progress was slower than expected and great disparities among countries were apparent. What remained to be done would require renewed efforts by the countries and by external support agencies.

16. In presenting the report "Management of water and sewerage companies in Latin America and the Caribbean: An urgent need for reform", the representative of the World Bank affirmed that institutional weakness was the most important obstacle standing in the way of the efficient provision of drinking water and sanitation services in Latin America and the Caribbean.

17. Many companies faced a difficult task, but many striking management deficiencies also existed in most of the sector's institutions in the region. Administrative inefficiency affected the level and quality of services, the financial situation and cost of the services, and user satisfaction.

18. A recent study undertaken by the Bank showed, however, that there was reason to hope that improvements could be achieved. A select group of companies existed in the region that had managed to raise the quality of their services and their efficiency to levels which, from an institutional standpoint, were higher than those of most companies. That group of companies had developed impressively sound forms of management despite the fact that they faced the same difficulties as the rest of the sector.

19. Most of the management practices employed by those companies seemed obvious and simple to implement. In practice, however, a concerted and sustained effort was required to reach the high levels of efficiency and effectiveness they had achieved. A

strategy to improve management must start, therefore, with a firm commitment to do so and an open mind to trying out new ideas.

20. Various methods could be used to achieve improvements, including twinning operations, targeting and bonus systems and contract plans.

21. Even an effective and efficient company could not survive, however, unless costs could be recovered and a portion of revenues was used for system expansion.

22. Finally, the representative of the World Bank emphasized that the need for better services for all was a challenge for the Governments, sector authorities and the political establishment. The most effective way to meet this challenge was to place management reform at the centre stage of any company schemes for reaching high levels of effectiveness and efficiency.

Considerations by delegations of their Governments' views on the situation at the end of the International Drinking Water Supply and Sanitation Decade (agenda item 4)

23. The representative of Dominica said that the situation in his country in respect of the quantity and quality of service would have been better if the management of water supply and sanitation services had been in the hands of a private company at the beginning of the Decade, as it was now. The change to private management had produced an important change in the management approach which would make a considerable expansion in coverage possible by the year 2000.

24. The representative of Ecuador, in recounting that country's experience during the Decade, stressed the importance of community participation in the provision of services, particularly in rural areas. An association of water supply management companies had been formed to take advantage of economies of scale in the purchasing of materials, the training of staff, etc. Despite the difficulties faced by Ecuador in the 1980s, it had not been a lost decade for water supply and sanitation and much had been achieved, although a great deal still remained to be done.

25. In his presentation of the experience of Costa Rica, the representative of that country stressed the high level of coverage of the population that had been achieved in terms of both drinking water supply (92.5%) and sanitation (100%). However, much remained to be done in improving the quality of service, which, in the area of drinking water supply, was still only intermittent in many smaller communities. Moreover, only nine cities had any system for waste water treatment. The dominant institution in the sector was the Costa Rican Water Supply and Sanitation Institute, which directly operated 50% of the systems. The other half were run by

the municipalities and local committees of users. During the decade a policy of decentralization of system operation had been pursued. The high level of coverage of water supply and sanitation services had been reflected in an improvement in public health. In part, the success of the sector could be attribute to the close co-operation achieved with the other sectors, particularly housing, resource conservation and tourism.

26. The representative of Costa Rica ended his presentation by referring to the work of the Regional Committee for Water Supply for Central America, Panama and the Dominican Republic (CAPRE), which, with the support of PAHO and the Federal Republic of Germany, served as a forum for horizontal co-operation among the member countries, particularly in areas of training and technology such as the control of system losses.

27. The representative of Venezuela recounted his country's experience in formulating the National Plan for Drinking Water Supply and Sanitation. The plan provided that by the year 2000, 90% of the population of Venezuela would receive drinking water supply services, 80% would have access to sewerage services and 70% of waste water flows would receive treatment. The plan included the decentralization of system operation, the expansion of the work force of the sector from 14 000 to 26 000 and the adoption of a scale of charges that would differentiate between industrial and commercial users. The plan also placed emphasis on the creation of an awareness among the population about sanitation and water conservation.

28. Emphasis should also be placed on the achievements registered during the Decade as regarded inter-institutional relations with the various government bodies responsible for laying down policies affecting the sector, as well as the improved relations with the National Congress (political forces).

29. The representative of Chile explained the importance, in his country's success in meeting the goals of the Decade, of inter-institutional co-operation. That co-operation had been achieved through a special commission formed to oversee the programmes established for the Decade on which all the relevant ministries had been represented, along with universities and international organizations. The committee had recently concluded its work with the establishment of the Superintendency of Sanitary Services. Despite the achievements already made, however, Chile, supported the continuation of the efforts undertaken during the International Drinking Water Supply and Sanitation Decade.

30. The representative of Bolivia stated that the experience of his country had been disappointing during the International Drinking Water Supply and Sanitation Decade. The coverage of drinking water supply and sanitation services had even declined in many urban areas. The main limiting factors included the

relatively low priority given to the development of the sector, the lack of an appropriate institutional framework, the dispersion of efforts and the unsuitable policy applied as regards scales of charges.

31. Bolivia needed assistance, and great efforts were being made to reorganize the institutions of the sector and to implement, with the aid of the multilateral banks, ambitious investment programmes. The Ministry of Urban Affairs had under study the possibility of introducing a system of charges based on marginal cost principles. Such a policy would be difficult to apply, however, due to the low income levels of most of the consumers. Co-operative management of water supply and sanitation services had proved successful, particularly in the city of Santa Cruz. Consideration was being given to making all companies into co-operatives and decentralizing management policy.

32. The representative of the United States of America stated that in his Government's view free market policies were the key to success in the water supply and sanitation sector. Tariffs must be structured, however, so that consumers could pay. The Government of the United States would not support projects that could not be paid for by users, although it accepted that some form of subsidy of the poorest might be necessary. Rural water supply and sanitation programmes did not require large investments, but in urban areas costs were higher. It was essential to encourage inter-institutional and inter-programme co-operation.

Discussion of proposals for maintaining the impetus created by the Decade to the end of the century (agenda item 5)

33. The representative of Dominica referred to recent experience in the transformation of an inefficient and ineffective public water utility into an effective private institution with the assistance of the Government of Canada. The scale of charges had been applied with special attention to institutional restructuring and management development; rehabilitation of existing water supply systems; a programme of public awareness and involvement; and design and construction of new water systems where rehabilitation was not justified.

34. The key point in the process was managerial change and putting the utility's own house in order. The utility had to be seen to be efficient in order for consumers to accept their responsibilities in regard to payment and conservation. The restructuring of the utility had required hard decisions, but that did not mean that a social awareness could not be created. The poorest consumers had a subsidized tariff. The programme had been successful and was now being extended to include sewerage.

35. The Secretariat representative presented a brief review of the challenges remaining to be faced in the sector as discussed in the report prepared for the Meeting, emphasizing the need for institutional innovation and more business-like management of the sector; to improve the provision of water supply and sanitation to the poor; and technological innovation.

36. The representative of Ecuador reviewed some of the ideas being considered in that country to improve system performance. Those indeas included strengthening the accross-the-board institutional co-ordination of the sector, while providing for the decentralization of system operation and management. He placed emphasis on the need to reduce the cost of water for the poor, as well as on the need to carry out national health education campaigns and programmes.

37. The representative of Costa Rica said that he thought that there was general agreement on what had to be done in the years ahead. He suggested that emphasis should be placed on encouraging Governments to give real priority to water; improving the quality of water supply services rather than only their coverage; and the development of managerial skills.

38. The representative of Bolivia said that action to develop the sector in her country should be concentrated on formulating and implementing the National Basic Sanitation System, implementing the National Water Quality Monitoring and Control Programme, devoting attention to the efficient use of water; defining financial and information subsystems; and promoting horizontal co-operation.

39. Finally, the representative of WHO mentioned the importance of the forthcoming New Delhi Global Conference on the International Drinking Water Supply and Sanitation Decade for establishing the future directives of the sector.

## The CESI-Profile Computerized Information Management System for Developing Country Planners (agenda item 6)

40. The CESI-Profile Computerized Information Management System was described by the representative of the World Health Organization (WHO). The CESI-Profile system had been developed by the Community Water Supply and Sanitation Unit of WHO in collaboration with the United States Agency for International Development (USAID, Washington, D.C.), the World Bank, UNDP, UNICEF, and the International Referral Centre and had been approved by UNDP and the bilateral funding agencies German Agency for Technical Co-operation (GTZ) and Swiss Development Co-operation (SDC). The operational core data built up since 1986 comprised information on over 4 000 projects collected from about 60 external support agencies in 130 countries. The intention was to extend the core data base by setting up the system at the country level. The

country level data bases would not only permit national information management but would also provide data bases which would contain information specific to the terminology and sectoral structure in each country; a basically compatible system for the exchange of information internationally and among users in each country; and a standardized format and procedure for reporting and entering data.

41. During his presentation the representative of WHO gave a practical demonstration of the operation of the system.

42. On completing its work, the Meeting approved the present report and a draft resolution on drinking water supply and sanitation to the year 2000 for submission to the Plenary.

Annex 5

LIST OF DOCUMENTS

| | |
|---|---|
| LC/G.1584(SES.23/1)/ Rev.1 | Provisional agenda |
| LC/G.1619(SES.23/2)/ Rev.1 | Annotated provisional agenda and organization of the twenty-third session |
| LC/G.1604(SES.23/3) | International Development Strategy: some considerations from the standpoint of Latin America and the Caribbean |
| LC/G.1601(SES.23/4) | Changing production patterns with social equity. The prime task of Latin American and Caribbean development in the 1990s |
| LC/G.1605(SES.23/5) | Latin America and the Caribbean: options to reduce the debt burden |
| LC/G.1614(SES.23/6) | Proposed calendar of conferences of ECLAC, for the period 1990-1992. Note by the Secretariat |
| LC/G.1602(SES.23/7) | Report of the work of the Commission since April 1988 |
| LC/G.1600(SES.23/8) | Draft programme of work of the ECLAC system, 1992-1993 |
| LC/G.1618(SES.23/9) | Documentos presentados al vigésimo tercer período de sesiones/Documents presented at the twenty-third session |
| LC/G.1598(SES.23/10) LC/DEM/G.58 | Report on the activities of the Latin American Demographic Centre (CELADE), 1988-1989 |
| LC/G.1607(SES.23/11) LC/IP/G.54 | ILPES: New guidelines for work in 1990-1991 and summary of activities in 1988-1989 |
| LC/G.1611(SES.23/12) | Activities of the ECLAC system to promote and support technical co-operation among developing countries and regions. Note by the Secretariat |

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| LC/G.1608(SES.23/13) | Provisional agenda, Committee on co-operation among developing countries and regions |
| LC/G.1609(SES.23/14) | Annotated provisional agenda, Committee on co-operation among developing countries and regions |
| LC/G.1589(SES.23/15) | Provisional agenda, Meeting to mark the culmination of the International Drinking Water Supply and Sanitation Decade |
| LC/G.1590(SES.23/16) | Annotated provisional agenda, Meeting to mark the culmination of the International Drinking Water Supply and Sanitation Decade |
| LC/G.1591(SES.23/17) | Drinking water supply and sanitation in Latin America and the Caribbean since Punta del Este |
| LC/G.1624(SES.23/18) | Intergovernmental forums of the Economic Commission for Latin America and the Caribbean. Note by the Secretariat |
| LC/G.1616(SES.23/19) | Some recent resolutions and decisions adopted by the United Nations organs which require to be brought to the attention of the Commission. Note by the Secretariat |
| LC/G/1621(SES.23/20) | Provisional agenda, Committee I |
| LC/G.1587(SES.23/21)/ Rev.1 | Provisional agenda, Committee II |
| LC/G.1603(SES.23/22) and Corr.1 | Programme performance report of ECLAC for the biennium 1988-1989. Note by the Secretariat |
| LC/G.1626(SES.23/23) | Admission of Italy as a member of ECLAC. Note by the Secretariat |
| LC/G.1627(SES.23/24) | Admission of Puerto Rico as an associate member of ECLAC. Note by the Secretariat |
| LC/G.1562 LC/CAR/G.263 Spanish/ French (Rev.2 English only) | Report of the Eleventh Session of the Caribbean Development and Co-operation Committee |

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| LC/G.1610<br>LC/CAR/G.292<br>(Rev.1 English only) | Report of the twelfth session of the Caribbean Development and Co-operation Committee (CDCC) |
| LC/G.1617(CEG.17/4) | Report of the seventeenth session of the Committee of High-Level Government Experts (CEGAN) |
| LC/G.1569(CEG.16/2) | Report of the sixteenth session of the Committee of High-Level Government Experts (CEGAN) |
| LC/G.1555(CEG.15/4) | Report of the fifteenth session of the Committee of High-Level Government Experts (CEGAN) |
| LC/G.1510(CEG.14/3) | Report of the fourteenth session of the Committee of High-Level Government Experts (CEGAN) |
| LC/L.483(MDM.8/2) | Report of the eighth meeting of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean |
| LC/L.521(MDM.9/4) | Report of the Ninth Meeting of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean |
| LC/G.1556(PLEN.20/5) | Report of the twentieth session of the Committee of the Whole |

Annex 6

# FINANCIAL IMPLICATIONS OF THE RESOLUTIONS ADOPTED BY THE COMMISSION

## Resolutions 503(XXIII) to 514(XXIII) and 517(XXIII)

No financial implications.

## Resolution 515(XXIII). Activities of ECLAC in the fight against drug abuse

The Secretariat reported that the adoption of this resolution would create the need for one additional permanent professional post, which would be financed by resources from the regular budget of the United Nations during the biennium 1992-1993 and would involve an estimated cost of US$120 000 in that period.

## Resolution 516(XXIII). Activities of ECLAC in the field of the environment

The Secretariat reported that the adoption of this resolution would create the need for one additional permanent professional post, which would be financed by resources from the regular budget of the United Nations during the biennium 1992-1993 and would involve an estimated cost of US$120 000 in that period.