

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN (ECLAC)

BIENNIAL REPORT

(28 April 1988 - 11 May 1990)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1990

SUPPLEMENT No. 14



UNITED NATIONS

Santiago, Chile, 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 the Latin American Economic System 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 present 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.

4
243rd meeting
11 May 1990