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at 11 a.m.
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. de ROJAS (Venezuela)

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## The meeting was called to order at 11.10 a.m.

## GENERAL DEBATE (continued)

- 1. Mr. DISEKO (South Africa) said that his delegation welcomed the Secretary-General's objective of reaffirming the commitment to economic and social progress and development as the prime purpose of the United Nations. The problems of poverty and inequality which still afflicted many countries were due at least in part to a hostile external economic environment.
- 2. His delegation called on developed countries to fulfil their commitments with respect to Agenda 21. The outcome of the nineteenth special session of the General Assembly had been disappointing for there had been no overall agreement. Political pressure must be brought to bear on development partners urgently to meet their commitments to provide resources as agreed under Agenda 21. The Global Environment Facility and the United Nations Environment Programme (UNEP) must be strengthened.
- 3. The southern Africa region was responding to the environmental challenges facing it by harmonizing national energy policies and approaches to the sustainable management of water resources. To that end, South Africa had recently ratified the Convention to Combat Desertification, and had participated in establishing a new regional food security strategy. Together with other Southern Africa Development Community (SADC) members, South Africa was committed to overall integration of their economies as a way of increasing development prospects and attracting foreign direct investment. Despite encouraging signs of economic growth among members, the region still faced daunting challenges. In anticipation of the possible effects on climate of El Niño the SADC members were being urged to prepare for widespread drought.
- 4.  $\underline{\text{Mr. RAHMTALLA}}$  (Sudan) said that his delegation would confine itself to highlighting those issues in the Committee's agenda to which it accorded particular importance.
- 5. Of the Assembly's Main Committees, the Second Committee was that most closely concerned with the Secretary-General's initiative for the reform and renewal of the Organization. His delegation therefore hoped that the Committee's work would continue to be accorded the importance it deserved. It also supported the views expressed by the representative of Luxembourg, speaking on behalf of the members of the European Union, to the effect that the objective of reform was not to reduce costs but to transform the Organization into a more effective instrument serving all the peoples of the world, that discussion of reform should not distract attention from the agenda of the Second Committee, that the least developed countries, and especially those in Africa, continued to suffer from marginalization, and that the necessary steps must be taken to ensure that all countries and all social sectors could enjoy the benefits of globalization.
- 6. The Sudan, like other developing countries, recognized that globalization was a reality whose dimensions and implications must be grasped and that the objective conditions must be created for active participation in it. To that

end, partners in development must facilitate the integration in globalization of the developing countries by providing them with the necessary assistance, primarily technological know-how, financial and technical support and improved opportunities for trade.

- 7. The issue of peace and development was a priority concern of the Government of the Sudan. The ministerial meeting of the Security Council on the situation in Africa had stressed the inseparable relationship between peace and development. As the Minister for Foreign Affairs of the Sudan had pointed out, there was now peace and stability almost everywhere in the Sudan after the peace accord of April 1997 between the Government and the leaders of seven of the warring factions in the south. That agreement having taken effect, the Government and the factional leaders who had signed it were continuing their efforts to complete the peace process and efforts were also being made through the Intergovernmental Authority on Development to negotiate with the one faction that had yet to join the process.
- 8. The Sudanese economy had achieved positive results over the past year, and inflation had been reduced from 114 to 28.5 per cent, the rate of growth had risen to 5.5 per cent, exchange rates had stabilized and debt repayment schedules had been met. In August 1997 the performance of the economy had been rated as excellent by the International Monetary Fund, and an agreement had been reached between the Government and the Fund on a new programme for 1998.
- 9. Those achievements had been accompanied by many sacrifices, and the people of the Sudan had borne them with fortitude. His delegation appealed to the international financial institutions for greater transparency with regard to the terms offered for mitigating the burden of indebtedness. It further appealed to the international community, donor countries and partners in development to assist and support the Sudan during the four-year transitional period established by the peace accord with a view to promoting peace and stability and contributing to the achievement of sustainable development in the country.
- 10. Mr. ALI (Pakistan) recalled that social justice and economic progress for all were principal objectives of the Charter of the United Nations. Its founders had seen a relationship between economic progress and collective action for avoiding war. Yet the economic and social progress of the past half-century had been lopsided and exclusionary, with only a minority of countries attaining affluence. Although current rates of economic output were the highest they had been in 20 years, 3 billion of the world's people were living on an income of under \$2 per day, and 100 million went hungry every day. Many had believed that greater global competition would bring about faster growth together with higher income and living standards, but there was mounting evidence that slow growth and rising inequities were becoming permanent features of the world economy.
- 11. The effects of the twin processes of globalization and liberalization on developing countries had been mixed. Some had been able to benefit through increased investment flows, surging exports and an appreciable rise in per capita income. But even among the success stories, economic growth was fragile. Liberalization of trade and goods had proceeded more slowly in those sectors where developing countries were more competitive. The situation was further compounded by the increase in protectionist measures. If the situation

continued, there was a real threat of a backlash that could wipe out the benefits of recent economic reforms.

- 12. The greatest current challenge was the challenge of inclusion, in sharing the benefits of globalization and in making decisions affecting the lives of millions of people in developing countries. In the view of his delegation, the General Assembly provided an equitable and effective multilateral mechanism for macroeconomic policy coordination. The United Nations was not divided into donors and recipients, but was made up of States with differentiated responsibilities, which must be recognized and accepted by all.
- 13. Mr. CASTILLO (Dominican Republic), after describing an economic environment in the Latin American region that could be characterized as one of sustained though uneven growth, said that the burden of servicing their external debt continued to be a serious obstacle to development for countries in the region. It limited their capacity to accumulate and invest capital in development projects and to apply flexible financial policies in favour of small and medium-sized businesses, which were important vehicles for dealing with unemployment and lack of opportunity.
- 14. The countries of the region had embarked on a comprehensive process of reform and modernization of the State, which involved the establishment of democratic institutions and a new relationship between the State and society. In an effort to remain current in its debt obligations to international financial institutions, the Dominican Republic had had to reduce its investments in such areas as education, health care and housing, thereby increasing its social debt to its people. That explained why it had not been possible to turn economic growth into real development for its people. Lack of financial support to the social sector could, however, undermine the process of democratization.
- 15. Effective mechanisms must be established for greater North-South integration, transfer of technology and financial flows, to enable the peoples of the region to climb out of extreme poverty.
- 16. Mr. MANGOAELA (Lesotho) said that his delegation attached the highest importance to the role of the United Nations in development cooperation. It was troubling to see that, as the world moved towards a new century, the international agenda remained littered with old problems associated with the phenomenon of poverty. While beggars and homeless people were to be found even in developed countries, in those countries they were the exception, whereas in developing countries they were often perceived as the norm.
- 17. Yet, for the least developed countries in Africa, the future appeared decidedly more promising that it had in a long time. Many countries in Africa had experienced higher growth rates and it appeared that the trend would continue as export production had increased, inflation rates had dropped and reform measures had been successfully implemented. That good performance among African countries was taking place, however, in an environment of declining flows of official development assistance. His delegation, therefore, called on the international community to make every effort to improve its performance regarding the aid targets for the least developed countries.

- 18. Mr. PINO (Venezuela) welcomed the steps being taken to reform the United Nations system and to promote economic development, peace and representative democracy. The recently adopted Agenda for Development should help to facilitate the integration of the developing countries in the world economy. In order to achieve that objective, however, an international economic environment was needed that would promote sustainable development and ensure that all members of society shared in the benefits of progress. The developing countries, in particular, needed to have a multilateral trading system based on clear and non-discriminatory rules in order to benefit from the process of globalization. Indeed, it would be unfair to expect the developing countries to compete on equal terms against the more developed countries. Venezuela therefore supported the full implementation of the Uruguay Round agreements, whose Final Act contained measures to mitigate the adverse impacts which the implementation of the agreements could have on the developing countries. His Government rejected the repeated attempts made to enact protectionist measures that purported to be based on labour or environmental considerations. It believed that the environmental standards agreed upon in the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) should be based on the principles of non-discrimination, transparency and predictability. In that connection, one of the key elements for ensuring the transparency and credibility of the new global trading system was the dispute settlement mechanism of WTO.
- 19. On the subject of development financing, Venezuela supported the initiative to convene an international conference on development financing. A stable financial environment was critical to building confidence and generating the necessary capital flows to the developing countries. Cooperation between the United Nations system and the Bretton Woods institutions should also be strengthened and the latter encouraged to participate fully in the proposed conference.
- 20. One of the major problems facing developing countries was the heavy debt burden whose service required the diversion of resources from development activities. The structural adjustment programmes which many countries were implementing had also caused severe economic, social and political distortions. New repayment modalities must therefore be put in place to reduce the debt burden.
- 21. In that connection, his Government was extremely concerned at the steady decline in official development assistance and in the resources available for development in general. The effective insertion of developing countries in the global economy could not be achieved on the basis of sacrifices by those countries alone. Innovative and dynamic forms of South-South cooperation involving the private sector and complementing North-South cooperation remained a key requirement for development.
- 22. Venezuela welcomed the results of the World Food Summit, held in Rome in November 1996, and stressed the need to ensure the full implementation of the objectives of the Summit at the national and international levels and to elaborate an international code on the right to food.

- 23. Finally, his Government remained convinced of the need for solid institutions and democratic practices as a condition for achieving sustainable development and effective insertion in the liberalized global economy. It therefore supported international efforts to combat official corruption, money laundering and other forms of economic crime.
- 24. Mr. MARCH (Australia) said that, in the past year there had been encouraging signs of economic growth, including in Africa. Tangible development and economic goals were also being attained by those countries which had made difficult policy adjustments and enhanced the openness and effectiveness of their governance and administrative mechanisms. While there was no simple solution to pursuing development goals in an increasingly competitive and globalized world and even though economic growth was not automatic, notable strides had been made by those who embraced credible macro-economic settings; those who addressed the social dimension of development in tandem with the pursuit of economic growth; those who fostered domestic private sector development; and those who pursued representative, open and accountable governance.
- 25. Some developing countries, especially the least developed, still faced serious obstacles. The benefits of globalization were not evenly shared and, in several instances, debt servicing requirements were onerous. Australia therefore welcomed the Heavily Indebted Poor Countries Debt Initiative, which was designed to address that problem, and would like to see it expanded to reach a greater number of eligible beneficiaries.
- 26. While official development assistance (ODA) was important it was no substitute for national action. Australia had provided more than US\$ 10 billion in ODA during the past 10 years, focusing it on the region of which it was a part. In the Pacific, in particular, Australian aid was targeted at programmes to alleviate poverty and to address emerging environmental challenges.
- 27. His Government recognized the concern and priority which the international community, and in particular the Pacific Island States, attached to the issue of climate change and was expanding its efforts to reduce greenhouse gas emissions within Australia. It would continue to provide assistance for programmes and projects to reduce greenhouse gas emissions, facilitate adaptation to climate change and reduce poverty. Expenditure on such programmes and projects during the 1996/97 financial year was approximately 47 million Australian dollars.
- 28. Noting that the question of climate change had been included in the Committee's agenda, he said that as the next session of the Conference of the Parties to the United Nations Framework Convention on Climate Change was scheduled to take place shortly his delegation believed that the Committee was the appropriate forum for discussion of the issues related to climate change.
- 29. Australia supported the Secretary-General's proposals to better focus the economic and social work of the United Nations and welcomed, in particular, the attempt to achieve greater impact at the country level.
- 30. Mr. REBEIRA (Singapore) said that, with the world's highest ratio of total trade to gross national product, Singapore was particularly vulnerable to trade

barriers and indiscriminate trade practices and thus had an interest in promoting an honest, open and free global trade environment. In December 1997, his Government had hosted the First Ministerial Conference of the World Trade Organization, which was the only legitimate multilateral body for resolving trade disputes. The Meeting had agreed upon a plan of action for the least developed countries, which included positive measures for improving the overall capacity of the least developed countries to respond to the opportunities offered by the international trading system. The plan also included proposals for enhancing the conditions for investment in the least developed countries and for providing predictable and favourable market access for their products in order to promote the expansion and diversification of their exports to the markets of the developed countries.

- 31. While globalization was being portrayed as a means of attaining higher living standards, it also posed a threat to those excluded from its benefits. It was only natural for many developing countries to feel that economic liberalization would cause them to become hostage to the more developed economies. However, countries that chose to shut themselves out of the fast-moving global environment would lose their places in the international marketplace. Singapore had made the difficult decision to liberalize its economy and to plug into the global economic environment.
- 32. The increased trade resulting from liberalization had led to accelerated growth among the more open economies of the world. It was widely acknowledged, however, that developing countries had not fully benefited from the Uruguay Round of multilateral trade negotiations. Protection levels in sectors of interest to developing countries and tariff levels in the developed countries for such sensitive sectors as textiles, clothing, tropical products and agriculture remained high. Much therefore remained to be done to ensure that developing countries also had a stake in the multilateral trading system. The Uruguay Round agreements contained a built-in agenda for new negotiations in certain sectors, including services and agriculture, together with in-depth reviews of WTO rules on intellectual property rights and trade-related investment measures. Developing countries must insist that the new negotiations also include sectors of interest to them.
- 33. Singapore believed that WTO would be the core of a liberalized global economy. It had the power to interpret and enforce its rules and to investigate and resolve disputes on trade laws and practices. Developing countries must get on board in order to ensure that their concerns were met. The real issue was how to keep the less advantaged countries plugged into the global economy. While UNCTAD had a major role to play in that regard, bilateral and multilateral efforts within the framework of South-South cooperation were also necessary.
- 34. In keeping with its commitment to sharing its experience with developing countries, Singapore had initiated 15 joint training programmes with international organizations and developed countries. The Singapore Cooperation Programme, which had been established in 1992, currently sponsored training and study visits for nearly 2,000 officials each year from more than 80 developing countries. At the regional level, the Association of South-East Asian Nations (ASEAN), of which Singapore was a member, was involved in several cooperation initiatives with other subregional groups. Singapore hoped that UNDP would

fully support the convening of the workshop on international trade which had been proposed by ASEAN. Such a workshop could be held in New York in 1998 parallel to the fifty-third General Assembly.

- 35. Turning to the issue of financing for development he said that the high savings rates in some developing countries suggested that countries which currently exhibited lower rates could also increase their savings. The most effective way for developing economies to attract international savings was to adopt domestic policies designed to create an enabling environment. However, many of the steps necessary for creating such an environment were beyond the control of individual developing countries and required international policy efforts. The problems associated with foreign direct investment and the debt situation in developing countries also deserved serious review.
- 36. With regard to the convening of a United Nations conference on international migration and development, Singapore had consistently argued against the proposal, mainly because of the lack of consensus on the root cause of the problems associated with international migration. A widely shared view among those Governments which had strong reservations about the proposal was that international migration and development issues had already been discussed at several United Nations conferences and that scarce resources could be better used to ensure the implementation of commitments already made.
- 37. In Singapore's view, it was poverty and lack of opportunity at home which prompted people to leave their families and migrate overseas. The United Nations already had the institutional and legal framework in its various agencies and commissions to handle the different aspects of the problem. It might therefore be better to focus on agreements already reached by the International Conference on Population and Development and the World Summit for Social Development.
- 38. Mr. PALIZ (Ecuador) said that the United Nations was the appropriate forum for the discussion of macro-economic and environmental questions. The eradication of poverty was one of the most pressing challenges facing mankind; accordingly, everyone had a responsibility to ensure that the objectives of the International Decade for the Eradication of Poverty were fully met.
- 39. One of the main tasks of the United Nations was to promote international cooperation. In the context of the globalization of the world economy, States were becoming increasingly interdependent. The challenge was to achieve equitable economic development for all countries and well-being for the human race that was fully in harmony with nature. Specialized agencies must therefore intensify their efforts to achieve the goals of sustainable development.
- 40. With regard to medium- and long-term development strategies, Ecuador agreed that internal and external adjustments must be made to optimize the opportunities and benefits of globalization while reducing the risks and costs for the developing countries. Latin America, in particular, had suffered from the volatility of private capital flows and Ecuador had sought to create the necessary conditions for attracting stable and predictable long-term capital flows. On a per capita basis, Ecuador was one of the most heavily indebted countries in the world and debt-service payments were a constant drain on the

resources which could otherwise have been used for productive investment. The General Assembly should therefore appeal to creditor countries and banks and to the Bretton Woods institutions to come up with alternative arrangements for payment which respected the right to development of indebted countries.

- 41. Unilateral efforts at macroeconomic adjustment, State modernization and economic liberalization must, however, be complemented by adjustments and changes at the international level. One of the key requirements for strengthening the processes of reform and internal adjustment was openness and transparency in international markets. Some developed countries were still pursuing restrictive trade policies. Ecuador believed that UNCTAD should continue to promote intergovernmental dialogue aimed at ensuring an equitable distribution of the benefits of trade, and it supported the mandate outlined at the ninth session of that Conference.
- 42. His Government was disappointed by the lack of progress in the implementation of Agenda 21. The developing countries would not be able to achieve the goal of sustainable development unless the developed countries cooperated by providing sufficient levels of official development assistance and transferring appropriate technology. The latter must change their unsustainable patterns of consumption.
- 43. Ecuador attached great importance to the Conventions on Climate Change and Biodiversity. States parties must follow through on the commitments given in Rio. His delegation appealed in particular to the industrialized countries to commit themselves to reducing emissions of greenhouse gases.
- 44. Indigenous and local communities in Ecuador had been exploiting local biological resources with a view to ensuring their sustainability for thousands of years. They had a legitimate right to share in the benefits derived from their ideas and innovations.

The meeting rose at 12.50 p.m.