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LECTURE DOCUMENTATION
LECTURE: UNITED NATIONS AND INTERNATIONAL
ECONOMIC COOPERATION FOR
DEVELOPMENT
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LECTURER: DR. N. SCHRIJVER
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TIME: 13.30 - 16.15 HRS.
COURSE ON INTERNATIONAL RELATIONS AND DIPLOMA TIC
PRACTICE FOR PROSPECTIVE SOUTH AFRICAN DIPLOMATS

Outline lecture Nico Schrijver, Institute of Social Studies on
THE UNITED NATIONS AND INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT
Monday, 15 February 1993

I. Th Br n W Dr r:

1. Main principles;

2.1 Institutional pillars:

- IMF;
- World Bank;
- GATT.

II. T ni N i n h r r n in rn i n l n mi n i l -
gperatign:

1. Goals and objectives;

2. Composition, functions and powers of ECOSOC;

3. Relationship with the specialised agencies.

III Th l i n h r W

1. The decolonisation process and the establishment of UNCTAD and
UNDP;

2. The Groups of Ten, Seven and Seventy Seven;

3. Identification of major challenges;

4. The NIEO resolutions of 1974-75;

5. Major reforms of the Bretton Woods institutions and the GATT.

IV. h ' v l m n ' l ' f h n' N ' n :

1. The role of resolutions of political organs of the UN;

2. Main principles of 'international development law' and their
incorporation in international economic law.

V. Prgpgsals fgr refgrm.

Some topics and propositions for discussion.

1. The Bretton Woods Order served the world well in its first 25 years.
2. The United Nations failed to coordinate the activities of its specialised agencies. ECOSOC has become a sleeping beauty.
3. The Group of Seven serves as the self-appointed world economic council. However⁵ its contribution to global governance is poor.
4. The NIEO resolutions led to a major adaptation of the policies of the Bretton Woods institutions.
5. It would be relevant to add a new Part V to GATT on 'Trade and Environment'.
6. UNCTAD should focus itself to only those areas where it has comparative advantages over other institutions.
7. Proposals for systems of international taxation should be taken more seriously.

The United Nations
in the 1990s
Peter R. Baehr
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Leidm Univcrxily um/ Ulrm'h1 U/Iivm'xily
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and
Leon Gordenker
I'rtq/iwxur Iz'uu'rilux 43f I'nlilim'
Prilu'vlnu UIIIiI'w'xily. Now .lvrM-y. USA
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Princeton University
MACMIWN

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7 Cooperation for Economic and Social Progress

Far more time, effort and money in the UN system go into cooperation than into any other endeavour. More than 80 per cent of the personnel of the global agencies, including the United Nations itself, work on issues concerning a higher level of general welfare for the world's people. A huge list of programmes covers practically every human preoccupation from the condition of the world environment down to better methods of drying dishes in outdoor tropical kitchens. The vast scope of these programmes has generated an organizational tangle so complex that, some observers have concluded, it is beyond human understanding or management. Yet all of it is intended to contribute, and arguably to some extent does, to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations" (Article 55, UN Charter). If so, its slow course contrasts sharply with the crisis atmosphere of the conflicts taken up in the Security Council, but the issues may be no less important to the long-run future of mankind.

The UN system approaches economic and social problems through four main avenues:

1. Collection and distribution of information about the economic and social situation in the world.
2. The adoption of non-binding resolutions, declarations, and recommendations to guide member states in their policies so that the results of cooperation may be maximized.
3. The establishment of practical programmes of assistance to governments and through them to their people.
4. The negotiation of binding international conventions or agreements, such as the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The United Nations has devoted much effort to the elaboration of operational programmes for economic development. The UN system

132 The Unilwl Nulinxx in I/n' I Qlih'
mounlcd ncalrly 20000 development projects, :isidc l'mm loans. during
1988. Reaching more than 130 countries. these programmes. like so
much that the United Nations system underlukes. assist govcnrmcnls
and only occasionally rcuch wilhoul intermediaries 10 the people who
are ullimulcly intended to bcncflll. Al the same time. they involve
commilmcnls 01' money, people's work. and hope on :1 scale never
before reached by inlcrcnuliomll agencies.

GLOBAL CONFERENCES

Although lhc notion 01' inlcrcnuli0mil confcrcnccs to deal with common
pruhlcms can he lruccd hack all lens! 10 lhc public inlcrcnuli0n0l unions
01' the nineteenth century (see Chapter 1). us well us to smullcr
nclwurks 01' scicnlific llnd inlccllclluul collaborators. lhc lccchniquc of
concentrating lhc ullcnlinn 01' govcnrmnts on spccilic issues gradually
hccmcnc u kccncr inslrumcnl. M051 01' the gauhcrings originnlc in
discussions carried on in the normal machinery 01' the UN system
and :m: then prepared by special commillccs. Thc oulcomc has further
added 10 the conceptual equipment and organizational! dcviccs avail-
able for global cooperation. A list 01' some 01' (he most important
recent conferences makes their sulicncc to contemporary global issues
clcur:

1963 - UN Conference on the Application 01' Scicncc und Technology
10 Developing Countries, in Geneva.

1964 the First UN Conference on Trade and Dcvcl0pmcnl,
which led 10 the cslublishmcnl by the General Assembly 01'
UNCTAD as a permanent body, in Geneva.

1971 # lhc First Conference on Industrial Development. in Vienna.

1972 - conference On the physical environment. which scl up the UN
Environment Programme. in Stockholm.

1974 - conference on world food issues. which set up the Internal-
lionul Fund 10% Agricultural Development and the World
Food Council. in Rome.

1974 -- conference on world population issues. in Bucharest.

1976 conference on human scilllcmcnls. which established the
Nuirobi-huscd Habitat. :1 UN body. in Vancouver.

1976 -- conference on employment. income distribution. social pro-
gress. and the inlcrcnuli0n0l division 01' lnh0ur, in Geneva.

C'nn/u'rminnJar Ifcunmnic amI Social Program 133

1977 - conference on water, in Mar dcl Plulu. Argcnlmu.

1977 conference on desertification. in Nairobi. '

1978- conference on primary health cure, in Almu Ala, Sovncl
Union. _

1979 m conference on agrarian reform and rural development. In
Rome. .

1979 # confcrcncc On refugees in south-cusl Asm, in Geneva.

1980 conference on UN decade for women. In Copenhagen.

1981 - conference On the development 01' the least developed coun-
tries. in Paris. 0 .

1981 conl'crcncc on new and renewable sources 01' cnrgy, in
Nairobi. . . _

1981 _ . conference on international ussnsluncc to refugees in African in
Geneva.

1981 - conference on Kumpuchcu (Cambodia). In Geneva.

1982_ conference On the exploration and peaceful uses 01' outer
space. in Vienna.

1984 conference on population, in Mcxncn City.

1987 u conference on cooperation for peaceful uscs 01' nuclear cnrgy,
in Geneva. _

1987 # conference on drug abuse and IlllCl1 lrumc, In Vienna.

1990 - summit conference on children, in New York

Such meetings end with the adoption 01':1 programme 01' action,
which sets out goals and programmes for both the UN system and
member governments. Increasingly, loo, such conferences are z-illchdccl
by representatives 01' transnational. non-govcrnmcnlul orgulnz:llio.ns.'
Along with government representatives. they become active publics.
Follow-up sessions to assess the rcsulls frequently urc summoned.

A comprehensive list 01' confcrcnccs would also include those ciillcd
for the purpose 01' approving the text 01' international c0nvcnho0m,
such us that on 1110 law 01' the sea. A rclalcd device is the proclamation
of years or dccadcs dcdicailcd lo a particular cause. such us an
international year 01' y0ulh.

In 1111 cases, the subject matter of the conferences also forms part of the agenda of the General Assembly and often of the Economic and Social Council. While the conference method presumably promotes the awareness of government officials and interested publics undisturbed by the work of the UN system, critics suggest that it results in one-time special sessions that raise false expectations and that programs of action often remain dead letters.

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ECONOMIC AND SOCIAL DATA

All the organizations in the UN system collect, process and publish masses of data on the economic and social situation in member countries and in the world generally; They also assist in improving the quality of available material. Generally speaking, data are furnished by member governments. 'This is especially the case with statistics. It could hardly be otherwise. for a national census, for example, involves great costs and a large organization of collectors. Such costs could not be paid by an intergovernmental organization, even though it may offer technical assistance. Other kinds of data, such as descriptions of natural resources, may result from development projects supported by the UN system. The UN Secretariat, as well as those of other agencies, includes a statistical office to deal with the constant flow of data that reaches it.

Statistical and survey material provide an essential basis for programming any kind of development or discerning trends. Without such information, cooperative programmes would simply be stubs in the dark. Moreover, governments depend on these publications in order to keep track of the context of important transactions, such as international trade in commodities or the transport of goods. The data also provide important raw material for academic analysis of economic processes and social evolution. Increasingly, statistics and other survey materials have been subjected to standardization and, in some instances, correction. -

Among the annual surveys published by the United Nations is the World Economic Survey. From their own vantage points, three other agencies of the UN system, the World Bank, the IMF and UNCTAD, publish analogous documents; the Bank's annual World Development Report has been especially influential. The UN produces a Report on the World's Children and UNICEF its own analysis of the state of the world's children. UNDP has begun to turn its data into a report on human development. They are complemented by and based on periodical statistical collections, such as the UN Statistical Yearbook and the monthly Statistical Bulletin. Some of these publications of the UN system unfortunately appear only after considerable delays.

Although the analytical reports may err on the side of caution, they nevertheless sometimes create controversy because one national governmental bureau or another disagrees with their conclusions or has serious doubts about their quality. Further, the fact that governments provide most statistical data published by the UN system means that reporting is sometimes open to manipulation for nationalistic purposes or is based on dubious methodology or local collection facilities. Correction of such distortion lies beyond the modest capacities of the UN system. Nevertheless, the publications from the UN system constitute the most reliable global social and economic information.

Countries' Economic and Social Program 13)

ECONOMIC DEVELOPMENT AND REDUCTION OF POVERTY

Although from its earliest conception the United Nations has been associated with encouraging economic development, this took on new dimensions with a growing realization that not only were large parts of the world population poor but were also growing poorer. The incidence and consequences of poverty were repeatedly underlined by the General Assembly and in studies carried out by the secretariats of organizations in the UN system. Although development activities grew rapidly, they have never breached the rather narrow limits imposed on them both by major financial donors and by the conditions under which recipient governments would accept aid. Neither experts nor governments, moreover, have been able to mark out highly reliable paths to development. Consequently, both economic theories of development and practical measures still generate controversy.

The activity within the development apparatus put together by the General Assembly reflects changing approaches and time periods. Some of it began early in UN history, while other pieces were added as styles changed. It included a phase of anti-capitalism, favoured by many of the new governments in the former colonies; by the early 1980s, this had much diminished. All the activity connects in some manner with the broader UN system that includes the World Bank, the IMF, the World Food Programme (WFP), and the specialized

agencies. All parts of this system compete for scarce financial, intellectual and other resources. Member governments collaborate with different agencies for specific purposes and are both agents and objects of competition. In no case, however, do member governments receive unrestricted financial grants or supplies; every agency in the UN system insists on well-planned programmes and projects worked out jointly with the recipient government. Nor does the total cost of development programs begin to approach in value the military and programmes that have been financed by various national governments.

TECHNICAL ASSISTANCE

During the Second World War, the main sponsoring governments of the United Nations organized the UN Relief and Rehabilitation Administration (UNRRA) to meet some of the most urgent human needs in the allied territories that were liberated from German and Japanese forces. In order to stimulate war-damaged economies, UNRRA offered advice on reconstruction along with foodstuffs and relief supplies. This advice was a precursor of technical assistance offered later by the United Nations. In fact, as early as 1948, it responded to a request from a government for advice on modernizing its whole economy.

The UNRRA and initial UN experiments joined both governments of poor and rich states. The poor wanted help, while the rich held that a secure world required productive economies. This led to the creation in 1948 of the UN Expanded Programme of Technical Assistance (EPTA) by the General Assembly. By letting contracts for the execution of specific projects to the specialized agencies, which already provided some modest help to governments, EPTA was intended to enlarge and coordinate technical assistance in the whole UN system. Its approach sought economic development through upgrading the skills of national government service, through better administrative techniques and planning, and through the provision of experts for short periods to help solve specific problems. This programme met at least some of the demands of the poor countries for assistance and fitted well with post-colonial needs.

At its unsuccessful exploration for a large capital grant agency, which the rich countries declined to fund, the General Assembly established the (first) UN Special Fund in 1958 to support longer-term projects that were expected to result in investment. An inventory of natural resources or a training scheme for middle managers would be examples of such projects. The organization was merged with EPTA by the General Assembly in 1965 to form the UN Development Programme (UNDP) which is still a principal UN operational agency for development. It relies on voluntary contributions from member governments and, like its forerunners, engages other organizations in the UN system and the UN Secretariat as its contractors.

To a steady drumbeat of criticism from the developing countries, each year more numerous, about what they saw as inadequate funding, the level of contributions mounted. In 1950, EPTA began with \$20 million. In 1988, contributions exceeded \$900 million. Yet inflation A. ... i_v ... :d ... ; ... a.q ... ; ...

Coolmillion. Iir Economic (Ind Social IH'ugroxx 137

and the growing needs of the developing countries and especially the poorest lands moderate the significance of this growth.

Although the size of UNDP, its omnipresence in the developing countries and the variety of projects undertaken represent a unique accomplishment, it is nevertheless only one of the intergovernmental agencies that now operate. The World Bank towers head and shoulders above limited UNDP grants by providing long-term, low-interest soft loans for development and well as higher-interest, self-liquidating loans. The bank also undertakes technical assistance projects sometimes as a UNDP contractor, but more often on its own account. On technical assistance, it has outspun UNDP since 1982; its project lending, some of which grows out of technical assistance, exceeds \$15 billion dollars annually. Furthermore, other multilateral sources of technical assistance, such as the European Community, also offer increasing shares of the total available aid. Technical assistance, as it operates at the beginning of the 1990s, aims at cooperative efforts and matching financing, although the poorest countries are excused from most local costs. Projects are mounted only after a formal request is made by the receiving government, which must have drawn up a detailed plan that includes a training component. In principle, technical assistance projects can be divided into four categories:

1. Provision of foreign experts, some of whom are themselves from developing countries. They train local personnel to take over as soon as possible. An analogous function is the furnishing of short-term advisers on technical problems.
2. Scholarships to enable residents of developing countries to acquire needed skills, sometimes abroad, sometimes in regional or inter-

nationally supported institutions.

3. Establishment of regional training centres where technicians can study common problems.

4. Organizing pre-investment projects of up to five years duration to set out definite plans for investment; in addition, creating facilities and manpower resources to encourage outside investment. UNDP reports that a majority of the projects do in fact lead to investment, a large proportion of which relies on loans from the World Bank and its affiliates.

Aside from complaints that UNDP falls far short of the needs of developing countries, the organization has attracted both praise and

criticism. Probably incontrovertible in some instances. this criticism can in part be understood as resulting from UNDP's reliance on developmental choices made by recipient countries. Added to this is the complexity of operating a field programme in a varied world. Furthermore. it has no foolproof doctrine for stimulating development. any more than the recipient governments or the World Bank do. In addition. it must counter the centrifugal force of intergovernmental agencies - its principal executing partners - that have their own mandates and limited willingness to submit to centralized control. Cooperation among the UNDP offices under Resident Directors at the field level. representatives and staff of other organizations in the UN system. the World Bank and the IMF, and officials of the host governments has not always been optimal. Moreover donor governments acting on their own mount development projects. The various organizational bases encourage differing points of view about the same goals of development. Conflicts have to be ironed out in a negotiating process that sometimes causes great impatience among the officials of the host country. In addition. technical experts occasionally cannot adapt to local conditions at their posts or act in ways that the local culture rejects. Sometimes they are insufficiently briefed or inappropriately trained. The central bureaucracy of UNDP was in fact organized without much expectation of the several waves of expansion that have taken place since the 1960s. and has also been subject to the parsimonious financing granted to most international agencies. The effective authority over general policy in UNDP was placed by the General Assembly in the hands of a Governing Council, made up of the representatives of forty-eight countries. The operations of UNDP are led by its Administrator, who is the chief executive officer. Along with field offices in more than 112 developing countries. this structure. it was hoped. would contribute to the effectiveness of technical assistance throughout the UN system. It has indeed resulted in the expansion of services administered by the UN system and brought about cooperation on a larger scale with the World Bank. Nevertheless. it was neither intended as a centralized command post nor has it developed such a character. Consequently. its original complexity only increased with the larger scope of its programme. In addition. the Governing Council. which functions under the authority of the Economic and Social Council and the General Assembly. also supervises the limited grant agency, the UN Capital Development Fund. set up in 1966; UN Population Fund (UNFPA) (see below); the UN Volunteers. set up in 1970; the UN (Industrial Development) Fund and Social Progress Fund (1974); Sahelian Office established in 1974; and some additional programmes, such as assistance in the fields of science and technology, and special trust funds for special purposes such as the UN Development Fund for Women. UNDP Resident Directors also supervise the actual projects, report back on their programmes, represent the UN Disaster Relief Organization and the UN development system, take on occasional special assignments and try to help shape bilateral and multilateral projects into a coherent whole.

UN POPULATION FUND

Although the UN system has long shown an interest in demographic developments. for the first two decades its members could rarely agree on practical programmes affecting population growth; yet it was understood by all that such growth intimately related to development. In 1966, the General Assembly began the construction of the UN Fund for Population Activities, which later became the UN Population Fund. By 1990. it could credibly propose a budget. contributed mainly by governments. of more than \$200 million. Its work reflects the links between population growth, development and deterioration of the global environment. Even though the concept of family planning has increasing acceptance. the progress in reducing birth rates was reported as disappointing.

UNFPA supports national governments in collecting basic population data. in applying knowledge of population dynamics to training and development planning, family planning services, policies beyond family planning and information and education programmes. Ironically, the United States. a prime mover in establishing UNFPA. has declined to contribute to the agency since 1985 because of contested assertions that it supported abortions and coercive family planning in

China. .

UN CAPITAL DEVELOPMENT FUND (UNCDF)

The idea of a fund that could make financial grants to the developing countries is nearly as old as the United Nations itself: so is the chilly opposition from most donors. Yet the General Assembly in 1966 decided that existing sources of capital assistance, then rare, should be supplemented by a UN Capital Development Fund (UNCDF-i).

I40 T/Iv Um'Iw/ Nulinns in I/u' 199m-

h concentrates on grants and long. low-imcrsl loans, especially for community development in the least developed countries. Iniliul contributions gradually grew unliliin 1987. resources in hunc1 and commilmcnls lolullcd some \$250 million as annual contributions reached some \$25 million.

UN VOLUNTEERS

This modest pur1 of UNDP. set up in 1970. sucks to lap lhc vigour of youth in constructive opportunities to help with nulionul development by means of inlcrnutionul cooperation. 111 1989. more than 1500 volunteers from every part of the world were serving. UNV is financed by voluntary contributions of less than 5! million.

UN CHILDREN'S FUND (UNICEF)

A veteran among the assistance mechanisms. UNICEF has always cnjoycd the support and ullcnlion of member govcrmmcnls and ol'non-governmental organizations. H has also acquired an rcputation as a well-administcrd, ulcr1 organization. UNICEF was established by the General Assembly in 1946 to provide special aid to children who had suffered from the Second World War. Its curlicsl tasks involved provision of supplies and services for direct rclicl'. which eventually became less pressing. 115 new tasks, rencclling what its staff had learned. included giving support lo governments for developing long-lcrm programmes for health improvement, social welfare and leaching. with special reference to children, pregnant women and nursing mothers. 11 l'rcqucnlly acts in cooperation with other agencies. especially WHO and UNDP. It was a primary inlcrmillionul uclor in bringing relief lo the displaced people along the Thai border after the genocidal uclivilics of the Khmer Rouge government in Cambodia in the hue 1970\$ and has been active in other human disasters.

UNICEF operated on a budget of more than \$570 million dollars. most of it contributed by governments, an the beginning 01' lhc 19905. Sonic 18 per cent of its budget is raised from private sources lthrough the sale of greeting curds and other collections managed by national UNICEF committees. 11s policies are scl by u l'orly-onc-mcmber Executive Board on which difl'crcnl regions of the world are rcprc-scnlcd.

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UN CONFERENCE ON TRADE AND DEVELOPMENT

More than any other agency in the UN system. UNCTAD acts us the interest group for the Third World. Its original rulionulc included :1 distinctive analysis of underdevelopmcnl associated with Ruul Prc-bisch. who was Executive Secretary of the UN Economic Commission for Latin America (ECLA). His approach contended that advanced development takes place in certain economic ccnlrcs while countries on the periphery grow dependent. The periphery suffers from declines in the terms of trade, the price levels For their production as related lo lhcir imports. This dcpndcnccy can be changed. said Prcbisch, by changing the terms of trade in favour of the developing countries. This view grcully zippculcd lo developing countries with single major cxporls. such as Ghana with its cocoa crop. The Prcbisch view made its way through the UN machinery and resulted in u lhrcc-monlh conference in Geneva in 1964, dcpilc slcudy sccplicism on the pur1 ol' the developed countries. The conference sought :1 cnunlcrwcighl 10 lhc irich manis clubs', inside :md nulsidc lhc UN syslcm, us well :is In the disuppointmcnl with the Economic and Social Council (sec bcluw). Consequently, the 1964 meeting was turned into a pcrmuncnl organ oi" the General Assembly to bc culled UNCTAD. It includes :1 Trade :md Development Board and a permanent scclclurial. Evcry three or four years. UNCTAD meets in a general conference, usually marked by sharp controversies bclwccn developing and developed countries. The board meets in the interim. The formal purposes are 10:

- promote inlcrnutionul lmde so us to encourage development:
 - formulate and give effect to policy principles on inlcrnutionul lrudc;
 - slimululc action in the UN system to reach mullilzilcrzil ugrcc-mcnls on trade, especially to stabilize commodity prices;
 - serve us a centre forihurmonizing (rude and related policics of governments and regional groupings.
- 11 would uithicvc its main goals by bargaining among three groups of UN members - lhc developed, the socialist countries and the devel-oping countries. The device of dividing UNCTAD into negotiating

units created the Group of 77'. the original developing counlrics m
UNCTAD I in Geneva.

The Group of 77 tries to prcschl :l common policy. This is not easy
us its membership has grown by another lilily governments. Many of

I422 The Unilml Nuliuns in I/n' IWUs

the (1-77 differ in their inleresls. us :1 comparison 01' Nepal and Mexico would indicate ill oncc. Furlhermm'c, lhc group includes high income oil producers and newly industrialized countries at various stages of development. The lhirly-odd poorest countries have gradually bccn singled out for special treatment. Despite differences. lhc Group gradually manifested strength in other inlcrcnutionul meetings. Its members tried to hang together because of the conviction lhal they must do so in order to achieve anything at all. Recently. G-77 has lost much of its significance as individual developing countries form alignments that reflect their particular interests on an issue. Even if few governments proclaim much sulisl'uction with lhc concrete results from UNCTAD. it has offered an institutional service lo lhc developing countries. lls meetings encourage them lo formulate their economic views more precisely. Moreover, the UNCTAD Secretarial has udupl'ed to an 'inlcrcpendcncc' approach that gives :iucmion lo inorlhcrni inlcrcrcs. UNCTAD publications provide a basis for continuing interchanges between rich and poor counlrics and project :1 critical light on whul the developing world regards as the orlhodoxics of the IMF and lhc World Bank.

UNCTAD also presents critical opinions On the progress of negotiations on reductions of tariffs and obstacles lo lrudc under the auspices of the General Agreement on Tariffs und Trade (GATT). which has drastically reduced customs duties since its foundation in 1948 under UN auspices. This critical function and other purls of the work of UNCTAD are regarded by some as heullhy compciilion.

UNCTAD has also promoted lhc drafting or revision of agreements among producer and consumer countries lo regulate the lrud' and price ol'cocoa. rubber. coffee. lin. olive oil. sugar. wheat and lropiczll limhcr. Iii 1980. after years of negotiations. bolh developing and developed countries agreed to establish a Common Fund for Com-modities. it would l'inancc buchr stocks oli commodities in internu-lionul lrudc during times of low demand. When demand increased. lhc stocks could be used. thus helping lo stabilize price levels. in practice, its provisions operate only 19 a limited degree.

Meanwhile. the end of 1990 had a special signilicancc for GATT.

This agency. spun off lhc uhorlirc ullemp1 in 1948 (0 create an International Trade Organization. had drastically lowered luriffs for most world trade and helped to control some non-larifl' barriers. lls contracting parties. now more lhun 100. had been through seven ruunds oli negoliulions in 1986, when a new one was launched in :1 session in Uruguay with 1990 :is lhc lurgcl d:.The Uruguay Round C unporalion jbr Iicmmmic and Social Prngrmzi' 143

developed severe controversies ovcr free trade for services. such as banking and insurance. and especially for agricultural products. As the issucs are complex and lhc ncgoliuling process in GATT slow and painstaking. with major traders such as the United States and the European Communities, pillcd against each other, a successful out-come was not in sight us the target year ended.

NEW INTERNATIONAL ECONOMIC ORDER

The UNCTAD approach to economic change begins with the assump-tion that the working of the world economy could be changed by dclicbrulc governmental action. Even though GATT and the IMF programme look towards a world economy free of central direction. the notion ofdirccld - or at lccusl guided - change underlies other UN programmes. The First two TDcvclopmentl Dccades', proclaimed by the General Assembly, reflect lhc popularity 01' a global, directed up-prmich to lhc world economy. The high poinl ol' lhis approach was reached during the aftermath of lhc oil embargo of 1973. when in lhc following year the sixth spccial session of lhc General Assembly demanded a New International Economic Order (NIEO).

While lhc oil crisis was an immediate cuusc, deeper reasons for this attempt to direct a vast change in the world economy could be found in lhc anguish of lhc developing countries and their increasing sophistication and solidarity. They pushed their programme of action. seeking NIEO. through a controversial Assembly session in which lhc developed countries repeatedly proclaimed their reserva-tions. Essentially. the developing countries look lhc oil crisis as an opportunity to validate and advance their programme which contained familiar clcmcnls: expansion 01' producers' associations (with the example of the Organization of Petroleum Exporting Countries

IOPECI in mind); linking prices of imports in developing countries
to exports from them; reform of the international monetary system;
and free exercise of full permanent sovereignty over natural resources
(which implied a right of nationalization).
This was followed by a Mexican-sponsored proposal of the Charter of
Economic Rights and Duties of States, which was adopted by a vote
that showed overall opposition or significant abstention by almost all
developed countries. This polarization moderated somewhat by
September 1975, when both the developing countries and the United
States and some originals came to the seventh special session of the

General Assembly with a more cooperative attitude. This led to the adoption of a resolution covering a negotiating framework for application of NIEO measures in the UN system. The resolution also set a target of 0.7 per cent growth of gross national product of developed countries as their portion of assistance; this had long been sought by the poorer lands.

Yet, with the sombre international economic situation of the subsequent years and the rise of a strong free market philosophy in the United States and other developed countries, the momentum grouping around the notion that common (multilateral) trade could be overcome with international cooperation soon drained away. NIEO had no vitality at the beginning of the 1990s. Several positive elements did, however, emerge. These include broader activities by the World Bank and the IMF, the creation of a general system of tariff preferences to benefit the developing countries, increased capitalization for the World Bank and IMF where the developing countries increased participation, and some parts of the not-yet-operative law of the sea convention.

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The political differences between wealthy and poor countries that NIEO dramatized also play a part in the rise to prominence of environmental issues. While some of the leaders of the developing countries strove with endless zeal for industrialization, groups within the developed countries sought to rein in increasing use of energy and natural resources. The startling dispersal of radioactive material from the breakdown of a nuclear power reactor at Chernobyl in the USSR in 1986, the disclosure of unrestrained dumping of toxic wastes in Africa and other developing areas, the connection between population growth and desertification, and the rapid cutting of the tropical rain forest all contributed to the new understanding. So too did the evidence of the destruction of the ozone layer and the possibility of global warming as a result of the use of fossil fuels. The UN system was in various ways involved in all this.

Gradually, governments of both developed and developing countries came to accept that the world environment was seriously threatened by despoliation of the natural environment. Yet considerable strife emanated from fears in developing countries that their efforts to lift their levels of well-being would be impaired. Although the UN system decided to make room for environmental considerations, with the

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creation of the UNEP in 1972, it was only as the W905 approached that the issue reached the top of the international agenda.

Even though UNEP is a dwarf agency compared with the World Bank or FAO, its staff of fewer than 400 people and its fifty-eight-country governing council adroitly took advantage of growing concern among many publics about threats to the environment. In 1983, it developed a six-year environmental programme which sets priorities for the whole UN system for the period 1990-5. Five years earlier, it had persuaded the General Assembly to establish a World Commission on Environment and Development, which was headed by the then Norwegian Prime Minister, Gro Harlem Brundtland. Its report in 1987, entitled *Our Common Future*, linked the environmental safeguards with a series of recommendations for a new era of economic growth that is both socially and environmentally sustainable. The heads of all agencies in the UN system, plus the World Bank and the IMF, then gathered to emphasize that all development projects must help to sustain rather than harm the environment. This was followed by UNEP's own report to the General Assembly on how to proceed.

One outcome was the summoning of a UN Conference on the Human Environment, twenty years after the first environmental conference in 1972, to take place in Brazil. It was to take up climate change; management of international traffic in dangerous wastes and products; protection of fresh water resources and of the oceans; combating deforestation, desertification and drought; preservation of biological diversity; integration of biological and developmental concerns to improve living standards; and protection of health.

Preparations included meetings of all UN members, regional sessions and coordinated contribution of thousands of non-governmental organizational efforts. Meanwhile, other UN organs, including the World Meteorological Organization (WMO) and scientific advi-

sory bodies. were busy with the construction of a treaty on global warming intended for consideration at the 1992 conference. Furthermore. there were repeated indications throughout the UN system that environmental issues would remain an important growing part of the international agenda for the future.

REFUGEES AND DISASTERS

g Organized international concern with refugees dates back to the early - days of the League of Nations. Only after the Second World War,

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when millions of displaced persons in Europe and Asia found across the path of the victorious armies, did the scope of assistance and protection operations reach a large scale. Since then, in several organizations forms the United Nations had to cope with refugee crises.

The principal organizational instrument since 1951 has been the UNHCR, which was originally created by the General Assembly as a temporary agency. It rests on the General Assembly resolution and the UN Convention on the Status of Refugees (1951), which has some ninety provisions. The sudden outflow of Hungarian refugees in 1956, saw UNHCR assisting with the handling and eventual resettlement of some 200 000 people. With the passage of years, even the Hungarian government expressed its gratitude. Since then UNHCR has been on the scene, first to protect the human rights of people outside their own countries with a well-founded fear of persecution, and then to offer material assistance, wherever forced migrations occur. In 1990, it was responsible for aid to some 4 million refugees from Afghanistan, some 2 million from Ethiopia and other hundreds of thousands who appear in the wake of repression or violence elsewhere. The numbers of refugees who could claim help, aside from displaced persons within their own countries, reached 15 million in the world in 1990. With its budget of less than \$500 million and the constraints of working through national governments, it clearly could not reach every refugee.

In other humanitarian disasters, the United Nations structure has responded. As a device to signal a humanitarian emergency, the system has the services of UNHCR. It has few resources of its own and must rely mainly on other UN agencies or bilateral responses. It has often been criticized for inadequate or slow responses in case of earthquakes, floods and other natural catastrophes.

Since 1987, the UN Secretary-General's Office has been building up new capacity as a centre for early warning of humanitarian emergencies. This helps to mobilize resources from many quarters and to back up UNHCR and UNHCR. And for extraordinary humanitarian emergencies, such as the droughts in Africa during the 1980s and the situation of the Cambodians who fled their country during the (persecutions of the Pol Pot government in the late 1970s, the UN has organized special operations to bring food, shelter and other services. The African emergency relief was quickly launched after the work (which could not however prevent the civil wars over the long Cooperation Economic and Social Programme 147

term). but the UN Border Relief Operation, which assists Cambodians, continued to operate in 1990, pending a political settlement of the future of the country. In all these emergency operations, WFP has been a principal source of food aid. Originally conceived as a means to funnel surplus food so as to promote development, WFP planned for the 1991-2 biennium a \$1.5 billion programme, about half of which would rely on commodities contributed by governments.

Although refugees and victims of man-made disasters, such as that of Cambodia, supposedly need only short-term attention, more than one incident has turned into a long-term concern. The flight of the refugees from the Arab-Israeli war of 1948 can be taken as a clear example of this transformation. More than one and a half million people, by 1990 most of them children and grandchildren of the original refugees, now receive some sort of assistance from the UN Relief and Works Agency for Palestine Refugees (UNRWA). It was organized to care for refugees until they could return to what is now Israel. Most of the UNRWA employees in the field are drawn from the refugee ranks, while the organizational headquarters was removed to Vienna in 1985. The political situation appeared as distant in 1990 as in 1951. The Israeli government has recently used force to cope with riotous situations which Arabs in UNRWA-assisted camps in the territory it occupied after the 1967 war. Elsewhere in the Arab countries where other refugees live, governments have usually avoided merely absorbing them. Most of the budget for UNRWA camps, schools and other services is covered by contributions from Western countries, including never less than 25 per cent from the United States.

NARCOTICS DRUG CONTROL

Control of the traffic in narcotic drugs is one of the oldest items on the international agenda. An interlocking system of international conventions and control organs dates back to before the First World War. The League of Nations supervised the system and developed it further. The United Nations took over the League's tasks and formed a narcotics drugs commission under the wings of the Economic and Social Council. These bodies have led several phases of revisions of existing laws and the establishment of expert organs, including research laboratories located in Vienna. WHO joins the effort by identifying substances for control. A voluntary UN Fund for

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Drug Abuse Control ochrs technical assistance to ForIy-ninc countries on projects intended to reduce the demand l'or controlled drugs. their supply and distribution. Application ol' the rules. however. remains in lhc hands of national IItthoriIics. The national efforts to reduce illicit IrIIIiTic range from negligible lo strenuous.

The burgeoning international trade in narcotics drIImIiliL'Iilly came into the spotlight when the president of Colombia whose country was II principal mum: of illicit COCIIinL Icccived II sIIIIIding ovulion in the General Assembly "'l 1989 for II spccch demanding new measures. The Assembly culled II special session for curly 1990 th'Ic an action plugIIIIIIIIc was approved and govcmcnls wcrL' LIIskd lo IILIIILIL to the IILlclsl UN Convention Against Illicit TrIlI'i'Ic in NIrcolic Drugs and Psychotropic SubslIInccs. which had been sent to them in 1988. The years 1991-2000 werc proclaimed the UN Dccndc Against Drug Abuse and explorations ol' the possibility oli an international criminal court for drug lrIIITickcrs were undertaken.

AIDS

The main mum: of iIIICIIIIIIIIionIII lcludLrship lo cope with the growing spIcIID ofAlDS (Acquired Immunc Dcliciency Syndiomc) us might be cxcclld is WHO. By 1990 it had mounld II programme ol assistance In more than 125 countries and worked with national Lommillccs in 155 lands. The General Assembly gIIvc strong endorsement lo the pro-gIIImmc in 1987 when rm the lust time it urged support on II health issue. and has since then discussed sombre reports from WHO. UNDP and the World Bank have adjusted their projects to supme the WHO 5 Global Programme on AIDS. which by 1990 had more than \$100 million available in voluntary funds. Meanwhile. cvcn wuh the gross undcr-erorIng of cases characteristic in some Lounuics there was Lvidcncc that more and more people had begun to understand the sexual nature of the transmission or the disease and to respond to preventive information made available via WHO through national governments.

CONVENTIONAL ECONOMIC, SOCIAL. AND CULTURAL COOPERATION

The IIIIshrooming growth of UN operations In support economic and social dcvclopmcm and lo pmmolc lhc gencuil wellIIrc combine

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improvisation, imagination, dire need. political compromise and II shorIIgc of resources. These programmes derive from older forms of organized international activity which continue to be applied, day in and day out, and ultimately affect the newer programmes.

For all its shortcomings and fulilc IImbiIion, the MEG dcmonslrulcs how old forms can still be used to express ideas that only three decades ago would hardly have come lo the surface. II had II basis in the familiar Form of II recommendation by IIII inlcrcnIIionIII LclibcrIIlvc body. All members oflhc Unlcl NIIIions are pledged lo lIIkcjoinI and separate action to effect recommended plans for promoting the general welfare (Arliclc 56, UN Charter). Because the IIIIjorily ol'govcrnmcls vote for II recommendation. il is II rCIIsenIIblc assumption (that ol'lcu fails to materialize) that the governments will follow policies IhIII Ihcy IIpprov at the international level.

Relying on national governments to cooperate by giving pfilClicili effect to agreed policies is II mclhod that reaches back through lhc League of Nations lo the middle of the nincloclh ccnIIry. ll sIIrIs with the assumption that some problems such as IIL- sprL-IIII of an epidemic disease or the use ol' the telegraph. affect all sIIIIcs IIIIIL that their cooperation is obviously in their scll'-inlcrcsl. EIIch cooperating country CIIrrics oul the general international policy with its own resources. This basic notion gradually grew more sophisticated IIIIIL came to include the drIIIfIng of II long series ol' inlcrcnIIimIIII convcnlions on specific subjects, such as the international trade in narcotics. Scholars, loo, cIIborIILcd theoretical concepts to explain the increasing practical international cooperation.

The conceptual line that has had the most influence on the crculion of international institutions and their programmes was developed by the TunclionIIilisF wrilcrs. A leading inspiration to some ol' the theorists of our lime was David MilrIIIny. an English IICIIchIIiciIIII IIIIId IIdviscr lo mullilIIlcrIII business. He wrote his bcsI-known bouk, A Working Peace S yslcnu at the formative sIIIg ol' lhc posl-Sccnd World War institutions. MilrIIIny argued that lrIIInsnIIlimIIII coopL-rII-

lion springs from technological development. Conventional politicians
may inipcdc or dislorl such cooperation. but they do nol IIIIIIIIIgc it.
The web of technical cooperation. which was illustrated by the highly
successful collaboration during both world wars among civil servants.
engineers. and scientists of the victors, cvcnluully becomes so dcnscc
that it dclimils the action of the stale. Technical experts can agree, no
mIIllcr thIl conventional politicians think. Therefore, the real world
is shaped by technological impcrIIlivcs. The coopcrulion Ihus brcd

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will eventually 'spill over' into what is now regarded as political areas.

The functionalist argument has served as an important justification for separating the functions of the specialized agencies in the UN system from the central organization, at least for day-to-day operations and technical recommendations. It also supported additional technical cooperation, especially as its worth in several fields had been proven during the days of the League of Nations. The notion that an efficient international system requires cooperation on technical subjects has found expression in the complex organizational structure of the United Nations. The set of agencies and deliberative bodies, some of which are discussed earlier in this chapter, develops policy recommendations covering an endless series of topics with respect to economic, social, cultural, education, health, and related problems, as set out in Article 55 of the Charter. The Secretary-General and his staff prepare studies for the system and make proposals, either on their own initiative or with the cooperation of governmental representatives. The Economic and Social Council, discussed in Chapter 2, has the formal assignment of giving central direction.

In the hope of assembling the best technical advice, ECOSOC has created a series of commissions, composed of specialists nominated by their governments. A few similar commissions existed under the League of Nations when, however, specialists were appointed in their personal capacities, not as governmental nominees. The ECOSOC commissions cover such subjects as statistics; population, the status of women, and development planning, as well as human rights and narcotic drugs, mentioned earlier. In addition, a long list of even more specialized advisory bodies, such as the Committee on Crime Prevention and Control, offer their advice.

Together with promoting cooperation on specific topics, ECOSOC has also set up a more decentralized system along regional lines. A set of commissions offers advice to governments and limited services in their regions. These bodies include the UN Economic Commission for Africa (headquarters in Addis Ababa), the Economic Commission for Asia and the Western Pacific (Bangkok), the Economic Commission for Europe (Geneva), the Economic Commission for Latin America (Santiago, Chile) and the Economic Commission for Western Asia (Baghdad). Assisted by small staffs, drawn mostly from their own regions, these deliberative organs have scored some success but remain the subject of debate, both in regard to the validity of the regional Commission's jurisdiction and their claims to speak for regions. Yet they sometimes help stimulate economic progress and foster regional standards. At the height of the Cold War in Europe, the Economic Commission for Europe was one of the few places where a few cooperative and constructive relationships between the two sides could carry on. Despite the elaborate institutional structures and the cordial welcome accorded to functionalist ideas, many member governments complain that the UN system lacks both sharpness and responsiveness. The specialized agencies and the World Bank and IMF duly submit reports to ECOSOC, the formal coordinator, but then tend to go their own ways. ECOSOC and its system of developing general policy recommendations remain secondary in immediate impact, especially compared with the practical programmes and ambitious aspirations encouraged by an unprecedented degree of international organization.

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Even if a comprehensive UN Code of Conduct is never adopted, the discussions and information generated by the negotiations have had a positive impact in identifying the issues and the problems and, in so doing, have facilitated negotiations in other forums. As Thomas Weiss correctly observes, "Effective UN action need not always end in formal resolutions."³⁰ A comprehensive UN Code on TNCs is still relevant, however, insofar as it would establish accepted principles and rules for the policies of both home and host states with regard to transnational corporations, as well as for the conduct of corporations themselves. The increased internationalization of economic activities, the substantial growth in trade and foreign investment, including the emergence of services, and the increasing interdependence of the world economy all underscore the importance of TNCs as major actors in the world economy and the need for an international framework for their operations. The adoption of a comprehensive UN Code on TNCs would also help generate trust and reduce suspicion and risk, both between foreign investors and host states and between developed and developing countries in, for example, their negotiations on trade-related investment measures in the Uruguay Round.³¹ The outstanding issues in the Code negotiations have been less contentious in recent years. For example, the question of the definition of a TNC is less problematic now that some developing countries have multinationals of their own and Eastern European countries no longer attempt to keep state-owned companies beyond the reach of the Code. The experience in other organizations dealing with foreign investment, such as ASEAN and the International Law Association also shows how issues can be solved provided the necessary political will is present. The major outstanding issues include: (1) a reference to international law/international obligations; (2) non-interference in internal affairs; (3) respect for national sovereignty; (4) nationalization and compensation; (5) dispute settlement; and (6) standards on national treatment. In September 1989 a symposium on outstanding issues in

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³⁰ Thomas C. Weiss, 'The UN Code of Conduct for Transnational Corporations', in David P. Forsythe (ed.), *The United Nations in the World Political Economy*, Macmillan Press, 1989, p. 93.

³¹ Cf. Hardees Puri and Philippe Bousick, 'Trade-related investment measures: Issues for developing countries in the Uruguay Round', in UNCTAD, *Uruguay Round Papers on Selected Issues* New York, 1989.

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the TNC Code was convened in the Hague by the UN Centre on Transnational Corporations and the International Law Association's Committee on Legal Aspects of a New International Economic Order. In the Report of this symposium, as well as in the 1990 report of the ILA Committee, substantive solutions for bridging the gaps were formulated and it is now up to the UN Commission on TNCs as a political organ to capitalize on this opportunity.³² Failure to do so in 1990 might well mean the end of the code movement. If the concept of a code is considered undesirable, an alternative is to pass a declaration of principles on foreign investment. Such a declaration could serve as framework for commitments in other fora, for example, specific rules of MICA and protocols on trade-related investment measures in GATT.

THE 1990 SPECIAL SESSION OF THE GENERAL ASSEMBLY ON INTERNATIONAL COOPERATION FOR DEVELOPMENT³³

After the failure to launch a new round of Global Negotiations in the early 1980s³⁴ and the unsuccessful outcome of the Cancun summit of leaders of developed and developing countries in 1981, a stalemate occurred in the North-South dialogue throughout the 1980s. The International Development Strategy for the Third UN Development Decade (DD 111), as agreed by the General Assembly in resolution 35/56 on 5 December 1980, was quickly outdated by the unanticipated worsening of the world economic situation in the early 1980s. This made many of its targets unrealistic and therefore irrelevant. UNCTAD VI at Belgrade (1983) was

unanimously evaluated as a failure, while UNCTAD VII (in UNCTAD's birthplace Geneva, 1987) was at best a 'non-event'. As

³² See the report on the Hague symposium in *CT C Reporter*, issue 29,

Spring 1990, United Nations, New York.

33 The session took place from 23 april to 1 May 1990. The official title of this session, which had been decided upon in 1988I and which was convened at the initiative of the Latin American countries, was Special Session on International Economic Cooperation, in Particular the Revitalization of Economic Growth and Development of the Developing Countries.

34 J. Renninger, 'The failure to launch global negotiations at the 11th special session of the General Assembly', in J. Kaufmann (ed.), Effective Negotiation. op citp.m 231-249.

a result of the disappointments in multilateral cooperation, the UN's function as a platform for North-South dialogue came under attack.³⁵

Against this background the General Assembly's Eighteenth Special Session, from 23 April to 2 May 1990, focused on the world economic situation and international economic cooperation, with a view to reactivating growth and development in the developing countries. The Special Session provided a new opportunity to assess the world economic situation and to identify the problems and needs of developing countries. Thus the Assembly heard one speaker after the other (in total more than 130, including 40 ministers) presenting views on the world economic outlook and evaluating developments and trends in the 1980s, a decade considered by many as lost for development. In comparison with the Eleventh Special Session of the UN General Assembly in 1980, which had a similar agenda, the terminology had changed significantly. Ten years ago frequent references were made to the need of establishing a New International Economic Order, launching a new round of Global Negotiations, supervising and controlling transnational companies, and initiating an international energy policy. These issues were hardly, if at all, raised during the 1990 special session. Cuba was one of the few countries, if not the only one, which referred to the concept of a NIEO. On the other hand, topics which used to be infrequently mentioned were now main themes in almost every speech! Such topics included domestic policies of developing countries, human rights observance, democratization and the need for pluralistic political structures, accountability of national elites, reduction of military expenditures by both developed and developing countries, environmentally sound management, sustainable development, and the role of the private sector. In addition, the indebtedness of developing countries was often referred to. The global debt of developing countries doubled in the 1980s to more than \$1300 billion, while official development aid transfers stagnate at half of the target of 0.7 percent of GNP for each donor. At the same time the 1980s witnessed a reverse net outflow from the developing to the developed countries due to capital flight and high interest rate payments.

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³⁵ See the various contributions in Jeffrey Harrod and Nico Schrijver (eds), *The UN Under Attack* (Aldershot, England: Gowcr, 1988).

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According to Secretary-General Perez de Cuellar in his opening statement, the last decade of this century is nevertheless "full of promise and hope":

Thanks to the outstanding events that have taken place in the political international arena, especially the renewed process of democratization, the reduction of rivalry between the super-powers, the improvement in relations between East and West, and the sincere quest for solutions to regional conflicts, the possibility now exists to change forever the basis of international relations which had come to be considered permanent in the post-war period.

The question arises whether the proceedings and final declaration of the Special Session justify the conclusion that we are at the threshold of such a decade 'full of hope and promise' and that we can take seriously the member states' "solemn pledge" to advance the 'multilateral dialogue' and 'to respond to the challenges and commitments' as contained in the 38-point Declaration.

Some positive factors can be mentioned:

- first, the fact that topics, until recently too sensitive to be addressed, can now openly be discussed and referred to in a final document adopted by 160 states.

- Second, the sincere effort - especially by the Group of 77 - aimed at decision-making on the basis of real consensus. This is in contrast with 'pseudo-consensus'³⁶ on the 1974 NIEO resolutions or the Third World majority vote on the Charter of Economic Rights and Duties of States.

- Third, the debate and negotiations were not hampered by rigid group positions of the C-77, the B-group (Western) or the Eastern European bloc. It was, in fact, quite remarkable

to note that the (3-77 was very flexible, while the latter two groups did not meet at all!

- Fourth, now that the ideological differences between the so-called 'developed market economies' and the 'socialist countries in Eastern Europe' were seen to be fading away, a consensus and a truly global perspective were emerging concerning the causes of global economic problems and conditions for revitalization of economic growth and

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36 Johan Kaufmann, Conference Diplomacy. An Introductory Analysis, 2nd rev. ed., (Dordrecht: M. Nijhoff, 1988), pp. 26-27.

development of developing countries. The declaration states that we are in the midst of a 'fundamental rethinking towards the achievement of economic development', while 'a gradual convergence of views on economic policy is emerging' (para. 4). As regards Eastern European countries the declaration simply notes that they were 'not appropriately involved in the world economic system' (para. 10) and that they 'should be supported in their efforts to integrate themselves into the international economy, including, as appropriate, their adherence to international institutions'. In line with the tone of many speeches during the special session, the impact of the changes in Eastern European countries is positively evaluated. The declaration points out that their integration into the world economy 'will benefit their own people and the rest of the world; it must not detract from the high priority placed on international development cooperation with the developing countries.'

- Fifth, new is the so-called 'peace dividend' paragraph (no. 31): Countries should seek to reduce expenditures for military purposes, opening up the possibility of enhanced spending on social and economic development for the benefit of all countries, in particular the developing countries. In this context, the feasibility of channelling some of these reductions through financial mechanisms for development should be explored."³⁷

These positive points, nevertheless, have to be weighed against some negative conclusions:

- First, the unwillingness of developed countries to commit themselves to any substantive concessions to developing countries. Although not the most important issue, the failure to implement the ODA target is widely considered to be a major test case. For years, the commitment was

³⁷ In almost forty years the UN has gone full circle: in 1953 on the initiative of the Eisenhower administration UN member states unanimously decided "to ask our peoples, when sufficient progress has been made in internationally supervised world disarmament, to devote a portion of the savings achieved through such disarmament, to an international fund to assist development in underdeveloped countries" (CA Res. 724 A - VIII, 1953)- .

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formulated in terms such as "each economically advanced country will exert its best efforts to reach a minimum net amount of 0.7% by the middle of the decade" (DD 11 Strategy, 1970) and "developed countries, which have not yet reached the target, should make their best efforts to reach it by 1985, and in any case not later than in the second half of the decade" (DD 11 Strategy, 1980). In 1990 the only agreement was on a vague commitment that "Developed countries should implement the undertakings they have made to attain the agreed international target of devoting 0.7 per cent of GNP to official development assistance, and 0.15 per cent to the least developed countries" (emphasis added).³⁸ Moreover, even this text proved to be too far-reaching for the United States which, while willing to join the consensus, 'clarified' a number of points in an explanation of vote. As regards the 0.7% ODA paragraph, the American representative declared: "The United States does not adhere to the notion of ODA targets referred to in paragraph 27."

- Second, the watering down of the collective responsibility of the international community as a whole for the development of all peoples and individuals. Through Articles 55 and 56 of the Charter, member states 'pledged' themselves to take joint and separate action in cooperation with the United Nations for the achievement of, among other purposes, 'economic and social progress and development'. It is therefore widely recognized that, though the primary responsibility for development rests upon the developing countries themselves, economic and

social development of all peoples and all individuals is also a collective responsibility, and that concomitant and effective international action is necessary to complement individual development efforts. A series of resolutions of the General Assembly and other UN organs and some provisions in the 1966 Covenant on Economic, Social, and Cultural Rights have elaborated the general norm as set by the UN Charter. From this perspective the 1990 Declaration is somewhat disappointing. Although

38 Final Declaration on International Economic Cooperation, 1 May 1990, par. 27.

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paragraph 2 states that 'The international community has a responsibility to give strong support to the efforts of developing countries to solve their grave economic and social problems through the creation of a favourable international economic environment', paragraph 4 states rather bluntly: 'Each country is responsible for its own economic policies for development, in accordance with its specific situations and conditions, and for the life and well-being of all its citizens.'

-Third, it proved to be impossible to reach agreement on a substantive debt relief paragraph in general and on one relating to the least developed countries in particular. Once again differing views manifested themselves between developed and developing countries, resulting in a vague compromise, stating that debt problems should be 'given urgent attention', 'be further addressed with a view of an early solution', etc. Whatever it be, it is sad to note that as a result the least developed countries have to pay the piper. The G-77 proposal to add the sentence 'Forgiveness of ODA debt of the least developed countries should be fully accomplished' was not acceptable to the US. and some others. Subsequently, it was replaced by the sentence 'Appropriate additional resources for the least developed countries should be considered at the Second United Nations Conference on Least Developed Countries'. The same holds for the paragraph on regulation of international commodity prices and commodity trade, an issue which is of crucial importance to most least developed countries; any reference to the usefulness of Commodity agreements proved to be unacceptable. Thus the Eighteenth Special Session may be symptomatic for the increasing marginalisation, economically and politically, of the 46 least developed countries and their peoples. A "last chance" for general action on behalf of the least developed countries will be available at the Second UN Conference on Least Developed Countries in Paris, September 1990. On balance, the assessment of the Eighteenth Special Session and its final declaration can nevertheless be positive. It may be too early to speak of a 'fundamental rethinking', but the General Assembly managed to identify new trends and responded to the changing circumstances, including identifying a 'peace dividend' for the social and economic sector of the UN system. At the same time,

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despite widespread cynicism, the important functions and usefulness of resolutions, declarations and charters of the General Assembly should not be forgotten.³⁹

_ It can be said that certain UNGA resolutions, such as the three Development Decade resolutions, the 1969 Declaration on Social Progress and Development, the 1986 Declaration on the Right to Development, and the 1990 Declaration on International Economic Cooperation, have played an important role in the formation of a normative framework for international development cooperation.⁴⁰ These resolutions have also performed a major role in tabling data, in identifying the problems and needs of developing countries and in pointing out the policy measures to be taken for combating poverty and promoting development. The resolutions have responded to changing circumstances and new facts by integrating the economic, social and cultural dimensions of development and by elaborating policy measures which are needed at the national and international level to reach certain goals and objectives. As such, they serve as the stock-takers of an evolving development ideology of the United Nations and contribute to public awareness of the problem of poverty.

To the extent that the development strategies contained in the "development decade" resolutions have indicated the directions in which solutions should be sought, including quantitative and qualitative development objectives, accompanied by specific commitments from both developing and developed countries, they can be seen as a plan for international development cooperation. The obvious example is the 0.7% ODA-norm. Some resolutions, for example those embodying the development strategies, also contain

(albeit weak) mechanisms for review and appraisal so that progress can be monitored and warnings can be given in case targets are not being met. However, the reluctance of developing countries to allow scrutiny by a UN body of their policies along the lines of, for example, OECD procedures (the so-called 'country i

39 Thomas Weiss, *Multilateral Development Diplomacy* in UNCTAD, (London: Macmillan, 1988); Nico Schrijver, 'International Organization for the Management of Interdependence. Alternative ideas in Pursuit of Global Decision Making', 19 *Bulletin of Peace Proposals* (1988) No. 2, pp. 175-185.

40 See the various contributions in Paul de Waart et al., *International Law and Development*, (Dordrecht: M. Nijhoff, 1988).

examinations') has hampered this function. In a promising shift in recent years, developing countries have been more willing to put their own policies on the international agenda. Reference, can be made, among other examples, to the special General Assembly session (1986) on Africa, to the country examination procedures through the UN Commission on Human Rights and to the Committees overseeing the implementation of 'the 1966 Human Rights Covenants. Furthermore, IMF, World Bank and GATT procedures also contain important elements of policy review. The General Assembly, without committing itself to another special session, decided to keep the implementation of the 1990 Declaration under political review (para. 38). It will have ample opportunity to do, since in the 1990s a series of North-South conferences will be held:

- a) the Second UN Conference on the Least Developed Countries (September 1990);
- b) 'during the regular 1990 General Assembly session, final negotiations on and adoption of a new International Development Strategy for the Fourth UN Development Decade (1991-2000);
- c) the eighth session of the UN Conference on Trade and Development in 1991;
- d) the major UN Conference on Environment and Development, 1992;
- e) the World Population Conference in 1994.

In addition, the development-related work of the various UN organs and specialized agencies continues. The special session of the UNCTAD adopted a conciliatory text on the interplay, rather than competition, between the UN proper and its specialized agencies (para. 36 of the Declaration):

The United Nations is 'a unique forum in which the community of nations can address all issues in an integrated manner. Its many specialized agencies make an indispensable contribution to development. They have a major responsibility in the great task of revitalizing growth and development in the 1990s.

41 See H. Cajentaan, 'Conference Diplomacy at the 1986 UN General Assembly Special Session on the Critical Economic Situation in Africa, in J. Kaufmann, *Effective Negotiation*, op. cit., pp. 1-36.

36

In several paragraphs the Declaration also called for strengthening surveillance through multilateral institutions and the commitment to multilateralism. For example, as regards the GATT system it observes (para. 32):

An open and credible multilateral trading system is essential for the promotion of growth and development. Any present or future trends towards unilateralism, bilateralism and the erosion of the multilateral trading system must be arrested. Protectionism should be resisted everywhere; commitments to standstill and roll-back of protectionism should be honoured.

This may create a climate in which the specialized agencies recognize the norm-setting and coordinating role of the UN as their 'mother organ', while the United Nations proper acknowledges and respects the specific competence of specialized agencies in their respective fields. One may even surmise that the often "self-centered" multilateral financial institutions will have no difficulty with, for example, the pronouncement of paragraph 21 of the 1990 Declaration on International Economic Cooperation, *which* 'The present opportunity to restore a long-term approach to development and move beyond short-term adjustment must be seized.' On the one hand, this paragraph voices criticism by the United Nations of the often short-term oriented adjustment programs of IMF and World Bank; on the other hand, it implies that specific negotiations on 'adjustment programmes' and debt rescheduling should be left to the Washington-based financial agencies.

TOWARDS A CHARTER FOR DEVELOPMENT AND

DEVELOPMENT CONTRACTS?

After 30 years of experience it may be relevant to lay down the fundamentals of international development cooperation in the framework of a multilateral treaty, which might be called a

'Charter for Development'.⁴² Such a treaty need not be as extensive

⁴² In the 1960s the Netherlands took the initiative for the drafting of such a Charter for Development as a global framework treaty for international development cooperation. This initiative could, however, not generate sufficient support? UNGA res. 2218 - XXI, 19 December 1966 and a

as, for example, the Lorne Conventions, which are concluded every five years in the context of cooperation between the European Community and the ACP States.⁴³ A "Charter for Development" should be as clear and brief as possible, providing a framework for specific undertakings in the context of the competent specialized agencies and UN organs.⁴⁴ The specific undertakings could be adopted in the form of protocols to the original framework or 'mother' treaty, as in the case of the Ozone Layer Convention or the Common Fund for Commodities. The protocols should be of a binding nature and could be called 'development contracts'.⁴⁵ Areas to be covered could include:

- (a) the amount of development aid;
- (b) special measures for least developed countries;

Dutch Memorandum on this question, contained in UN Doc. A/C.2/235, 1967.

43 The fourth Lorne Agreement was signed on 15 December 1989 and will enter into force in 1990 after ratification by the twelve EC member states. Parties include the European Communities and its twelve member states, and 68 countries in Africa, the Caribbean and the Pacific.

44 A relevant draft for such a Charter could be the Declaration on the Progressive Development of Principles of Public International Law relating to a New International Economic Order, commonly called the Seoul Declaration. This Declaration was adopted by consensus during the 62nd Conference of the International Law Association held in Seoul in 1986. The text has been published in, among others, the ILA Remrt of the Sixty Second Conference (1987), pp. 2-12 and 33 Netherlands International Law Review (1986), p. 326.

45 Recently the then Foreign Minister of Norway, Mr Th. Stoltenberg, proposed replacing the World Bank/IMF adjustment programs with more comprehensive "Development Contracts", which could be defined as a comprehensive instrument for the financing of a medium and long-term development plan prepared by the developing country itself (with outside technical support where appropriate'). Th. Stoltenberg, "Towards a World Development Strategy"; in L. Emmerij (ed.), One World or Severgliah (Paris: Development Centre of the OECD, 1989), pp. 232-245. See for an analysis of the Stoltenberg proposal and for a report on related research activities of the Helsinki-based World Institute for Development Economics Research (WIDER) the paper by Dr Lal Jayawardena, 'New Sources of Finance for the 1990s', in Proceedings Conference on Development Policies and Issues in the Nineties, (Dutch) National Advisory Council for Development Co-operation, The Hague, October 11-12, 1989.

38

(c) additional measures for the liberalization of trade for the benefit of (sub-groups of) developing countries, beyond GATT commitments;

(d) special measures for the protection of the environment, e.g. an international charge on carbon dioxide (CO₂) or on the use of tropical timber;

(e) debt rescheduling;

i (f) standards for the treatment of foreign investments.

Developed and developing countries would be free to decide whether they sign and ratify such specific agreements or not.

Such an approach would enable development-oriented

industrialized nations to move a step ahead of the others and would provide opportunities for a more differentiated approach.

For example, a group of industrialized nations can decide to enter into a special relationship with a certain group of developing countries, along the lines of the Scandinavian concept fox: a so-called mini-NIEO in Southern Africa. The approach could also be differentiated according to certain sectors; e.g., a global contract could be concluded for the shipping sector, regulation of foreign investments, or the trade in textiles and clothing as an alternative to the Multi-Fibre Agreement. Of course, as far as the member states of the European Community are concerned, one has to take into account the relationship between the EC and individual member states, especially in the fields of trade and agricultural policies. This will sometimes discourage such action, but if the EC as a whole were to embrace the "development contract" approach much would be gained.

More structured cooperation between the United Nations and the specialized agencies and a new approach of a Charter for

Development, supplemented by specific development contracts, would enable international development cooperation to be placed on a firmer and more business-like footing._ At the same time it would relate development cooperation to both the political will of donor states as well as the needs of developing countries or specific sectors. Such an approach could be useful in meeting the problems of . the 1990s. /1