

# Bangkok Conference Calls for Helping the Marginalized, Urges More Transparent Decision-Making & an Equitable Global Trading System

UNCTAD X, the first major international economic gathering of the new millennium, was marked by its forceful plea to help those at risk of being marginalised from the global economy. Held in Bangkok, Thailand, from 12 to 19 February, the eight-day Conference brought together some 3,000 participants to debate the theme of "Applying the lessons of the past to make globalisation an effective instrument for the development of all countries and of all people". Ministers and senior government officials from UNCTAD's 190 Member States, and representatives of intergovernmental and non-governmental organisations and other segments of civil society, including academic circles and the private sector, engaged in a stocktaking on multilateral strategies for development and attempted to chart a new path for development in the coming decade.

The Bangkok Declaration and Plan of Action adopted by the Conference after intense eleventh-hour negotiations expressed a broad consensus on many of the most controversial economic and development issues on the world agenda. There was general recognition that although globalisation has generated both opportunities and challenges, its impact has been mixed, and some low-income countries risk exclusion from the global economic system. At Bangkok, many developing country representatives referred repeatedly to the difficulties of managing the process of development in a rapidly globalising and changing international economic environment. They

noted that liberalisation and globalisation have increased uncertainty in the world economy and are undermining social cohesion, traditional values and cultural diversity. This situation makes it all the more urgent to develop a transparent decision-making process in all international institutions and to include developing countries in it. A rules-based, equitable and predictable multilateral trading is also needed.



There was also widespread disillusionment with the outcome of the "Washington consensus", and a call was made for rethinking development strategy in the context of globalisation and for a review of the principles governing international cooperation. For globalisation to be better managed, a new global order to correct the effects of market failures and minimise the dangers of marginalisation of weaker economies is required. To achieve this goal, it

is important that competing interests are balanced and ideologically based agendas are avoided.

The main thrust of the Conference was its call for measures to integrate the developing countries into the world economy. Among the recommendations are:

## FINANCE AND INVESTMENT

Targeted and well-coordinated official development assistance (ODA) is needed in order to create an enabling environment for private sector activity and investment and to contribute to physical infrastructure and capacity building. Existing resources for development purposes must yield a better development impact, and efforts to untie ODA should continue. The Plan of Action also urged further debt relief under the enhanced heavily indebted poor countries (HIPC) initiative, especially for the least developed countries (LDCs), and for special attention to be paid to addressing African debt. Improving the international financial system with regard to transparency of flows; preventing capital flight, money laundering and tax evasion; and stabilising international financial markets were advocated as well.

## INTERNATIONAL TRADE

Ensuring that the multilateral trading system results in mutual benefits for all countries was the main message of the Plan of Action in the area of international trade. The Plan stressed that trade policies and trade liberalisation should be made more

consistent with overall development objectives and, in developing countries, that trade should make a more decisive contribution to alleviating poverty.

Also in the area of trade, the conditions necessary for the effective implementation of the WTO agreements should be ensured, and cooperation established among the relevant international organisation and regional development banks in assisting countries with respect to their rights and obligations under the multilateral trading system. The Bangkok document further proposes addressing trade barriers which have a negative impact on attempts by developing countries to diversify their exports, improving market access conditions for LDC exports by both developed and developing countries, and making special and differential treatment (SDT) for developing countries a better instrument for development. The stability of commodity export earnings should be improved, as should commodity supply reliability and quality, including through cooperative arrangements among enterprises in developing countries. In addition, developing countries' ability to access and use market information particularly in on electronic form, should be enhanced.

#### **OTHER DEVELOPMENT-RELATED ISSUES**

Other development-related issues covered by the Bangkok Plan of Action are enterprise development and strategies for the growth and survival of small and medium-sized enterprises (SMEs), and the promotion of entrepreneurship's potential contribution to the elimination of poverty and social exclusion. More intensive technology transfer, and the need to strengthen such trade-supporting services as trade facilitation, transport, customs, banking and insurance, human resources development and business information, were also stressed.

As a result of the participation of civil society and of the variety of the debates, one of the main contribu-

tions of UNCTAD X, as expressed in the Bangkok Declaration, was a frank exchange of views and agreement on a "shared moral commitment to a better and fairer world". The Declaration asserted that UNCTAD's work should address the challenges and opportunities of globalisation for developing countries and pursue on open dialogue on development-related issues to help shape international economic relation in the 21<sup>st</sup> century.

#### **UNCTAD and Civil Society**

Since its last quadrennial conference, held in Midrand, South Africa, in 1996, UNCTAD has been seeking to increase the involvement of civil society in its work. In preparation for UNCTAD X, international encounters among government representatives, NGOs and academics and the private sector took place in various capitals on major topics to be addressed by the Conference.

During UNCTAD X, results of the following meetings with civil society were presented formally to the government representatives:

#### **NGO PLENARY CAUCUS**

On the eve of the Conference (7-8 February), an NGO Plenary Caucus was held in Bangkok, attended by approximately 160 national, regional and international NGO representatives from over 40 developed and developing countries. The NGOs called for strengthened civil society participation in UNCTAD and advocated greater outreach of the national level in order to democratize economic governance and develop accountability.

UNCTAD Secretary-General Rubens Ricupero and Supachai Panitchpakdi, Deputy Prime Minister of Thailand and President of UNCTAD X, met with representatives of more than 100 NGOs. Dr Supachai said that a "serious effort" must be made to integrate civil society into the UNCTAD X process. Mr Ricupero said that UNCTAD had traditionally worked closely with NGOs and that "more regular and more frequent" consultations would be held with NGOs in the future.

#### **PARLIAMENTARY MEETING**

The Inter-Parliamentary Union (IPU), an association of parliamentarians from throughout the world, held a meeting on 10-11 February to exchange views and discuss issues vital to the Conference. It was attended by 130 members of parliament from 53 countries. After two days of debate, the meeting issued a declaration calling on the IPU and UNCTAD to work closely together on the trade and investment issues and how they affect national economies. The declaration also asserted that multilateral agencies should be made more transparent and urged funding to make parliamentarians more aware of the implications of specific trade-related issues.

Entrepreneurs from developing countries opened the debate with personal accounts of how they had set up their businesses, which ranged from the software industry to dairy products and tourism. The ensuing discussion centred on the greater role Governments should play in supporting businesses and on the importance of the human dimension in economic activity and development.

#### **OTHER HIGHLIGHTS OF UNCTAD X**

UNCTAD and the Government of Thailand agreed jointly to establish an international Institute for Trade and Development, to be based at Chulalongkorn University in Bangkok. The historic agreement was signed during the Conference by Thai Foreign Minister Surin Pitsuwan and UNCTAD Secretary-General Rubens Ricupero.

Eight bilateral investment treaties (BITs) were signed, seven by Thailand (with Argentina, Croatia, Egypt, Israel, Slovenia, Sweden and Zimbabwe), and one between Croatia and Zimbabwe. As part of its work programme on international investments, UNCTAD facilitated the negotiations through the

provision of expert advice, conference facilities and travel funds.

UNCTAD donated about US\$ million worth of its publications and CD ROMs to some 400 university libraries in 150 developing countries and countries in transition. This library sponsorship initiative marks the start of an ongoing process of research sharing and interlibrary cooperation. The hope is for these materials to be used as tools for the development of future generations of scholars and policy makers.

UNCTAD released a CD-ROM version of its 1998-1999 Handbook of Statistics. The publication provides compatible and comparable data over long periods and includes time-series up to 1998-1999. Compared to traditional printed versions, the CD-ROM contains more data and provides improved analytical value.

UNCTAD launched investment and enterprise development programmes in five Latin American countries: Bolivia, Brazil, El Salvador, Guatemala and Panama. Also launched in Central America is UNCTAD's EMPRETEC programme on enterprise development to help entrepreneurs build innovative and internationally competitive small and medium-sized enterprises (SMEs). The beneficiaries of this programme will be El Salvador, Guatemala and Panama.

A new capacity-building task force is now at work on the integration of trade, environment and development policies. The task force, a joint initiative of UNCTAD and the United Nations Environment Programme (UNEP), will assist developing countries to accelerate the formulation and implementation of

effective, integrated national policies on trade, environment and development.

UNCTAD, one of the first international organisations to identify the potential of electronic commerce for developing countries as well as for trade in general, launched a report entitled Building Confidence. The publication focuses on the political, analytical and practical challenges posed by the rapid globalisation of electronic commerce and its spread to developing countries. Building Confidence relies primarily on the conclusions that emerged from expert meetings and workshops held over the past two years.

#### POLICY STATEMENT

Following are excerpts from the statement made by UNCTAD Secretary-General Rubens Ricuperro at the closing session of UNCTAD X on 19 February.

We are now increasingly aware that both Governments and markets require a moral basis for their proper functioning. Markets cannot operate when they are dominated by the behaviour of opportunists, inside traders or players who freely break their contracts. Governments cannot operate as they should when dominated by the behaviour of the corrupt and greedy. And development itself is impossible unless both markets and Governments function properly - that is, working together in partnership. Many aspects of the so-called "failure of development" during the last 50 years can be readily explained, once we have these three precepts in mind.

Economies do not develop just because they exist. Economic development has been historically exceptional, and not a general rule. It does not happen automatically in response to the fact that a country has fertile land or large deposits of mineral resources. It is more likely to happen where elaborate systems of human cooperation have

evolved. Markets and Governments are both the institutional embodiment of this cooperation.

But rather than formalising a new consensus on economic policy in a list with a fixed number of key points, I believe that it is more important to urge that extremism in economic policy be abandoned by all sides.

Nor should we lose sight of the inherent limits of convergence and even of consensus. Even when we agree on basic principles, we may often differ on how to apply these principles to concrete situations which will not always be interpreted in the same way by all of us.

As Raul Prebisch declared when UNCTAD was established in 1964, the reciprocity of international economic relations must be real. It cannot be merely conventional, it cannot be formal only. It cannot be based on a nominal equality of countries that is belied in all the practices of negotiation, decision-making and dispute settlement. Precisely because global integration has so far affected only a dozen developing countries, the economic world is still divided. In such a world, real reciprocity means taking account of the underlying asymmetry of economic structures. Real reciprocity still has to be constructed.

The Conference has provided the opportunity for a wide-ranging exchange of views. In my view, it has been instrumental in creating an atmosphere of greater mutual understanding of the complexities of the globalisation process. But much remains to be done in translating this into practical moves for institutional change of the international level.

The entire international community must see this as its goal in the four years ahead of us. UNCTAD must deploy for this purpose all three of the instruments at its command - research, policy advocacy and technical assistance. ■