

FOREIGN NEWS REVIEW

UNCTAD VI OUTCOME DISAPPOINTS THIRD WORLD

UNCTAD VI ended in Belgrade on July 3 this year on a disappointing note for Third World delegates and with the spokesman for the Group of 77 (Developing countries) expressing his "deep disappointment with the meagre results achieved."

The Conference resorted to the face-saving measure of ultimately calling for "the international community to launch a programme of concerted measures for the reactivation of the global economy and for accelerated and sustained growth and development in developing countries."

On the eve of the Conference, which began on June 6, the UNCTAD's Secretary General Gamini Corea submitted a report making a strong plea that decisions of UNCTAD VI should promote simultaneously the process of development and recovery in the world economy. In recapitulating the essential features of the current crisis — negative economic growth per head in the developing countries and massive unemployment in the OECD countries — Dr. Corea stressed that UNCTAD VI could be a turning-point in international economic relations if it were the occasion for a new consensus that would help set the world economy and the process of development on a new course.

Although devoted essentially to North-South economic issues the session, which was held in the Sava Centar, Belgrade, Yugoslavia, had the character of a world economic conference. It was attended by over 2,000 representatives from 148 of UNCTAD's 166 member countries and from many United Nations agencies, other intergovernmental organizations and non-governmental organizations. Seven Heads of State or Government and 144 representatives of ministerial or equivalent rank participated in the Conference and well over 300 representatives of foreign media were officially accredited to it.

In addition to the consensus statement on the world economic situation, the Conference adopted twenty-two resolutions on the substantive issues on its agenda, as well as a number of other decisions.

The consensus statement first analyzes the main features of the crisis, particularly its exceptionally severe impact on the developing countries, then refers to the

tentative signs of recovery that have appeared in some major developed market economy countries. While recognizing that recovery in these countries would contribute to the growth of world output, trade expansion and development, the statement asserts that recovery of the developed market economy countries by itself would not suffice to revitalize the world economy. In fact, it says, the recovery itself could be aborted unless appropriate policy measures, including structural adjustment, were taken to broaden and deepen it and at the same time to reactivate the development process in the third world. Such reactivation, it states, would in itself be an important element in the revitalization of the world economy.

After referring to the difficulties which have beset the international monetary, finance and trading systems under the impact of the crisis, the statement says that these institutions "have not been sufficiently adapted to cope with the changing realities of the world economy and with the shifting interrelationships between issues in its key areas". It goes on to call for the urgent setting in motion of the necessary processes of change in the international economic system, "in order to provide firm support for the development process, to ensure adequate participation of developing countries in the decision-making processes and to cope with the consequences of the crisis as well as to prevent its recurrence".

United States expresses dissent

Following the adoption of the statement at the final plenary meeting of the Conference, the representative of the United States said that his delegation had to dissociate itself from it because it found the text "too negative, one-sided, and in places too ideological to be accepted". The United States, he said, was convinced that economic recovery was now under way and that "we have an opportunity to build on this recovery and strengthen mutual confidence and determination to achieve sustained, non-inflationary growth and development for all countries".

A number of other delegations of developed market economy countries indicated that although they had joined in the consensus their acceptance of the statement

was subject to some reservations or qualifications. These delegations^{were} Australia, Belgium, Denmark, the Federal Republic of Germany, Japan, Switzerland and the United Kingdom.

As President of UNCTAD V¹ the Conference elected by acclamation Lazar Mojsov, Foreign Minister of Yugoslavia. Mojsov said in his closing statement that the results of the Conference had not been commensurate with the needs for improvement in the world economic situation. Nevertheless, after strenuous work, agreements had been reached in such areas as commodities, international trade, money and finance and the activities of UNCTAD in the areas of technology, shipping and economic relations among developing countries. He said that although the progress made in some fields or the small steps taken in others did not free one from the feeling that much more could be done, particularly to assist developing countries, the constructive atmosphere of dialogue nevertheless had been preserved.

Abdillahi said Osman (Somalia) was the co-ordinator of the Group of 77. He said on behalf of his Group that they had expected to reach agreement at the Conference on a minimum programme of imme-

diately measures which would go towards meeting the challenge facing the world economy and had to place on record its deep disappointment with the meagre results achieved. It felt that the Conference had failed in large measure to live up to the expectations reposed on it by the world community and had missed a historic opportunity to contribute meaningfully to world development and recovery. The responsibility for this rested squarely with the developed countries, he said. The resolutions that the Conference had adopted did not add up to the worthwhile programme of immediate measures that the Group had hoped for. By and large, they marked only a slight advance from the positions that had been reached in the earlier Conference of UNCTAD. The Group had in fact to struggle hard even to maintain those positions and in a few areas they seemed to have "slipped down the slope".

In spite of this, he said, the Group had decided to accept the package of resolutions adopted by the plenary, because it felt that the spirit of international co-operation today was so frail that it could not suffer another setback which would have inevitably followed had the Conference ended in a total failure. The Group had decided to adopt whatever had emerged

from the Conference and build on this basis through the forthcoming negotiations within the continuing machinery of UNCTAD and other available fora.

Making some preliminary observations of the Conference UNCTAD's Secretary General Gamani Corea said that the failure of the Conference to respond to the need for a vigorous programme aimed at reactivating the global economy and the development process was in his view its principal shortcoming. He was not convinced that the decisions of the Conference in the areas of commodities, finance, trade and the least developed countries, taken together, sufficed to give "a clear message of confidence to the world community as regards the reactivation of the development process." It would seem that the recognition of the reality of interdependence, he said, "was not equally matched by a recognition of its implications".

Mr. Corea said that he nevertheless had to underline the fact that the Conference did succeed in reaching agreement on virtually every major item on its agenda". These agreements had been reached in practically all cases on a consensus basis. This result should not be lost sight of, Dr. Corea stressed, since it constituted a foundation for future efforts.