THE NEW INTERNATIONAL ECONOMIC ORDER AND THE PROMOTION OF HUMAN RIGHTS

Study prepared by Raúl Ferrero

Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities

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NOTE

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The opinions expressed in the present report are those of the Special Rapporteur.
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**ABBREVIATIONS**

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<tr>
<td>CIPEC</td>
<td>Intergovernmental Council of Copper Exporting Countries</td>
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<td>DAC</td>
<td>Development Assistance Committee (of the Organisation for Economic Co-operation and Development)</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GNP</td>
<td>gross national product</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<td>SDR</td>
<td>special drawing rights</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>UNITAR</td>
<td>United Nations Institute for Training and Research</td>
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**EXPLANATORY NOTES**

All references to dollars are to United States dollars.
The term "billion" in this report signifies 1,000 million.
INTRODUCTION

A. Mandate

1. On the basis of a recommendation made by the Sub-Commission on Prevention of Discrimination and Protection of Minorities in its resolution 8 (XXXII) of 5 September 1979 and approved by the Commission on Human Rights in its resolution 18 (XXXVI) of 29 February 1980, the Economic and Social Council, by its decision 1980/126 of 2 May 1980, authorized the Sub-Commission to appoint Mr. Raul Ferrero Special Rapporteur with the mandate of preparing a study on the new international economic order and the promotion of human rights. In its resolution, the Commission stated that the Special Rapporteur, in elaborating his study, should take into account the conclusions of the seminar to be held later in 1980 within the framework of the advisory services programme on the basis of paragraph 8 of Commission on Human Rights resolution 5 (XXXV) of 2 March 1979 and should examine the effect, if any, that the new international economic order had on the implementation of some human rights and fundamental freedoms, as well as taking into account the comments made at the thirty-second session of the Sub-Commission and the relevant existing documents prepared by the competent organs of the United Nations system. The Commission also indicated that the Special Rapporteur should collect and analyse, from a human rights perspective, recommendations and guidelines contained in resolutions and reports adopted by organs of the United Nations system, in particular the regional commissions, in relation to the new international economic order.

2. At the thirty-third session of the Sub-Commission, the Special Rapporteur indicated that he would submit a preliminary report on his study to the Sub-Commission at its thirty-fourth session.

3. In response to that progress report, the Sub-Commission, by its resolution 22 (XXXIV) of 10 September 1981, expressed “its deep appreciation to the Special Rapporteur, Mr. R. Ferrero, for his excellent study” and requested him to continue his work with a view to submitting his final report to the Sub-Commission at its thirty-fourth session.

4. At its thirty-fourth session the Sub-Commission had before it the first part, consisting of eight chapters, of the final report. By its resolution 1982/8 of 7 September 1982, the Sub-Commission expressed “its strong appreciation to the Special Rapporteur, Mr. R. Ferrero, for the excellent and comprehensive first part of his final report”, requested the Special Rapporteur to continue his work with a view to submitting the second and last part of his final report to the Sub-Commission at its thirty-sixth session, and requested the Secretary-General to transmit the report of the Special Rapporteur to the Working Group of Government Experts on the Right to Development in order that the Working Group might take account of the report in its deliberations.

5. The final report submitted to the Sub-Commission at its thirty-sixth session, in August 1983, reflects the comments made by members of the Sub-Commission during the thirty-fifth session.

B. Approach

6. Over the past decade, an enormous amount of research has been undertaken on various aspects of the establishment of a new international economic order. Some idea of the scope and volume of this work can be gleaned from a perusal of the 128 pages of references contained in the United Nations publication entitled The New International Economic Order: A Selective Bibliography.1 Similarly, a considerable number of economic analyses relating to the existing international economic order and projections as to its future development have been published in recent years. Thus, for example, in addition to the very important documentation submitted to the General Assembly at its eleventh special session, in 1980,2 particular reference may be made to the World Bank's World Development Report, published in August each year. Nevertheless, despite the extent of the general research undertaken, there remains a notable paucity of analyses which have addressed the social and, more particularly, the human rights aspects of the new international economic order.

7. In preparing this study, the Special Rapporteur has been guided by three major concerns. The first, and most fundamental, has been to reflect adequately the importance which has been attached to the subject by widely different bodies within3 as well as outside4 the United Nations system. As stated in the Sub-Commission’s 1980 report: “Many members observed that the relationship between the establishment of a new international economic order and the promotion of human rights was one of the most complex, important and wide-ranging issues before the Sub-Commission”.

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2 See especially the report of the Secretary-General (A/45/115 and Corr.1), to which was annexed a report prepared by the Director-General for Development and International Economic Co-operation. The latter report was subsequently issued as a publication, entitled: Towards the New International Economic Order: Analytical Report of Development in the Field of International Economic Co-operation since the Sixth Special Session of the General Assembly (United Nations publication, Sales No. E.82.II.A.7).
3 Of particular significance in this respect are the provisions of General Assembly resolution 32/130 of 16 December 1977 (see chapter V below).
4 See, for example, the Political Declaration of the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana, Cuba, from 3 to 9 September 1979 (A/34/542, annex), paras. 260-261.
5 E/CN.4/1413, para. 69.
8. The second concern has been to avoid all unnecessary duplication of other reports and studies undertaken in the context of United Nations human rights programmes. In this regard, particular reference should be made to (i) the Secretary-General's report on "The international dimensions of the right to development as a human right in relation with other human rights based on international co-operation, including the right to peace, taking into account the requirements of the new international economic order and fundamental human needs"; (ii) the study by the Secretary-General on "The regional and national dimensions of the right to development as a human right"; and (iii) the study requested by the General Assembly in paragraph 12 of resolution 34/46 of 23 November 1979 concerning the nature and extent to which the realization of human rights and fundamental freedoms is affected by present international conditions.  

9. The Special Rapporteur's third concern has been to avoid a discussion of technical economic issues, which are more appropriately dealt with in other United Nations forums. In the present study, it is proposed to consider, from a human rights perspective, a wide range of issues relating to the need to establish a new international economic order. This is an extremely difficult and complex task which it has not yet been possible to undertake with the care it deserves in the context of the work of the United Nations. This study is intended to serve as a modest contribution to that highly important goal. It is pertinent in this regard to recall the opening statement by the Director of the Division of Human Rights of the United Nations Secretariat at the seminar on the effects of the existing unjust international economic order on the economies of the developing countries and the obstacle that this represents for the implementation of human rights and fundamental freedoms, held at Geneva in 1980. On the subject of the application of an interdisciplinary approach to this work, Mr. van Boven stated:

"...[O]ur role implies neither interference nor involvement in technical issues which are beyond our sphere of competence. But neither does it permit the abdication of our responsibilities to the human rights provisions of the United Nations Charter. It is in the light of these human rights responsibilities that we should work for a new international order with economic as well as with human and social components, because, in the final analysis, the welfare of all human beings in its spiritual and material dimensions is the primary and the ultimate aim of our endeavours."

6 E/CN.4/1334.
8 A/36/462.

Chapter 1

BACKGROUND TO THE PRESENT INTERNATIONAL ECONOMIC ORDER

10. In discussing the present situation regarding world economic relations, it might not be entirely appropriate to speak of an international economic order, for it is not so much an "order" as a world-wide interaction of economic forces and powers reflecting a particular international situation resulting from historical causes that need to be understood.

11. During the second half of the nineteenth century and the first half of the twentieth century, a large number of countries now known as "developing" countries were, in fact, dependent territories of European Powers. From their distant centres of power, the great metropolitan countries decided the fate of the territories concerned and dictated the type of economic policy they were to follow and their role on the great chequer-board of world economic relations. At that time, those living under such imperial Powers had little opportunity to enjoy full human, political or economic freedom. They had no control over their natural resources, still less did they receive fair prices for their products. Only the metropolitan countries profited from that type of economic and trade relationship, and the colonies were left with only enough to maintain administrations capable of imposing the form of law and order that suited the metropolitan countries. Also, those countries which attained political independence at the beginning of the nineteenth century (the Latin American countries, for example), found that there was a reluctance to accord them due recognition of their sovereign equality and were denied any say regarding the conditions of their international economic relations.

12. The present economic order began to be imposed at a time when vast majority of developing countries were still dependent territories and consequently unable to take part in its establishment; it was therefore inevitably inequitable and contrary to their interests. It is well known that international economic and monetary relations are based on three liberal principles, namely, freedom, equality and reciprocity. These principles could well suffice to bring prosperity for all, but in a world of equals, not in a world of unequals. In a world of "potentates" on one side and the "poor" on the other, it is not right to expect the poor to accept principles which profit the powerful alone and harm the weak; in such conditions, the relationship tends to give rise to exploitation, legal equality to produce material inequality, and reciprocal concessions to widen still further the already immense gap between the rich and the poor countries.

13. In this respect, the interesting comparison that has been drawn between the present international economic order and the national economic orders of the European countries at the end of the nineteenth century is well worth mentioning:

At that time, national economies in their liberal setting had come to the point where the system-promoted interests of the have-nots, the entrepreneurs, became incompatible with the system-neglected interests of the have-nots, the working masses. On the brink of violent revolution the ruling classes were forced to allow restriction of liberal enterprise by the enactment of special legislation, which provided for a gradually expanding minimum of social security and economic welfare for the hitherto exploited. In other words, to meet the demands of the less privileged the three basic principles of liberalism underwent the following changes: the principle of freedom was restricted by the introduction of the principle of protection; the principle of legal equality was in part replaced by that of material equality; and the principle of reciprocity was conditioned by the fact that the working class was endowed with rights which restricted the operational freedom of the entrepreneurs. Today, one can observe the tendency towards a similar development on the international scene.1

14. There are some who describe the prevailing order as a veritable "disorder" and maintain that to speak of a new order presupposes, as stated above, the existence of a previous order, when no such order really exists. This has been expressed by Mohammed Bedjaoui as follows:

The historical and political reasons for the present disorder can be mainly expressed in terms of imperialism, colonialism and neo-colonialism. Dependence, exploitation, the looting of the resources of the Third World, and the introduction of zones of influence, have marked international relations with "organized" or "institutionalized" disorder. The cruel, inhuman law of maximum profit has finally succeeded in establishing disorder, with the Faustian power of multinational firms, the gigantism of military-industrial complexes and the ecological disaster.2

15. It must be agreed that the present order is a serious obstacle to the realization of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, more particularly in article 25, which declares that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. However, it must be clearly established from the outset of this work that the fact that an unjust international economic order exists cannot be used to justify failure to secure the realization or observance of human rights. In any event, there are two needs that have to be met side by side. One is the need to change the present international economic order into a more equitable order, and the other is the need to promote and protect human rights and fundamental freedoms in each and every country; they are inter-related needs, but neither of them is a prerequisite for the realization of the other.

16. The prevailing international economic order is certainly unjust, and it has to be appreciated that one of the main reasons for this situation is the absence of any participation in its establishment by the developing

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1 ibid., para. 21.
countries, which are now bearing the brunt of the adverse consequences; this means that it is essential to redress the situation in the higher cause of human rights.

17. A process of decolonization has indeed given birth to innumerable independent States since the Second World War, but unfortunately such political independence has not generally been followed by economic, social or cultural independence, which are equally important if these States are to achieve any real development.

18. These latter forms of dependence may prove more detrimental than political dependence and appear in such diverse and sophisticated guises that it is not easy at times to determine clearly the degree of domination involved. Such domination is exercised by a small group of countries that wield virtually all the political, military, economic and technological power in an international community in which any real democratization of power is lacking.

19. As Stanovnik rightly points out:

The demand for the New International Economic Order is a political action. The underprivileged peoples who are championing the new order have neither the military nor the economic power to match the dominant forces in the present world. Their strength lies rather in inevitable historical evolution and is therefore essentially on the political plane. 13

Chapter II

THE NON-ALIGNED MOVEMENT AND THE NEW INTERNATIONAL ECONOMIC ORDER

20. The term "third world" has been applied to the Group of 77 (currently comprising 125 countries) since the Asian-African Conference held in Bandung, Indonesia, in 1955 and refers essentially to an understanding among the developing countries in respect of international trade.

21. The term "non-aligned countries", however, initially had essentially political connotations. The countries comprising the non-aligned movement (currently 101 members) advocate independence of the two blocs whose centres of power are situated in Washington and Moscow, on the grounds that polarization towards either extreme becomes an instrument in the service of domination, just as the doctrinal dichotomy between market economy and planned economy is simply a means of protecting these relationships of economic domination onto the broader international stage.

22. The non-aligned movement advocates active neutrality, as originally conceived by Josip Broz Tito (Yugoslavia). This doctrine indisputably coincides in important respects with that of Jawaharlal Nehru (India), which was taken up with genuine enthusiasm by Gamal Abdel Nasser (Egypt) and subsequently by Ahmed Sukarno (Indonesia). The First Conference of Heads of State or Government of Non-Aligned Countries, held in Belgrade in 1961, defined the catalytic role which the non-aligned countries should play in international relations. At the following Conference, held in Cairo in 1964, a programme for peace and international co-operation was adopted, and subsequently, at the Lusaka Conference in 1970, new impetus was given to the concept of self-sufficiency. In Algiers in 1973, an appeal was made for the establishment of a new international economic order, and in Colombo in 1976, important initiatives were taken in the area of international economic relations. In Havana in 1979, an appeal was made for the initiation of global negotiations, and policy measures were adopted for the strengthening of collective self-sufficiency among developing countries. In New Delhi in 1983, the movement's independence from the two major power blocs was reaffirmed.

23. All these conferences were marked by great efforts on the part of the countries belonging to the movement to assert their independence from the two great power blocs and to maintain this "uncommitted" status in the cold war, so as to be able to devote their resources to the improvement of their own living conditions and to increase the meagre benefits which they obtained from their dealings with the dominant Powers.

24. The non-aligned movement's shift towards economic issues became apparent at the Lusaka Conference, prior to which interest had been concentrated on political questions. This change of direction reflected the conviction that this was the only way in which to consolidate and ensure political independence:

The Declaration of Non-Alignment and Economic Progress, adopted at the 1970 Lusaka Summit, indicated that such a decision had been taken in principle. For the first time, it gave a detailed and concrete meaning to the call for self-reliance, defined, at that time, primarily in terms of increased economic co-operation among developing countries. Consequently, various forms of such co-operation, its purposes and mechanisms, were outlined. It was realized that any meaningful co-operation had to be based on an adequate exchange of information and on the need for raw material inputs; obviously, it could also benefit greatly from shared experiences in the application of science and technology and the learning of appropriate skills. Special attention, therefore, was given to matters such as the optimal utilization of natural resources, the development of a technological and scientific capacity, trade, industrial production, and infrastructure (including the establishment of direct communication links among developing countries).13

25. It should be noted, however, that it was at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held in Algiers from 5 to 9 September 1973, that the basic concepts of the new international economic order were first formulated. This new order was conceived as a means of presenting the economic dimension of the policy of non-alignment, that is to say, the application of its general principles to the economic sphere. The same Conference adopted an Economic Declaration and an Action Programme for Economic Co-operation.14

26. The Economic Declaration and the Action Programme confirmed the movement's reorientation towards a "new type of international economic relations" and a "new and just international division of labour", among other things. Both instruments benefited from the fact that all the non-aligned countries are also members of the Group of 77 and participate in the deliberations of UNCTAD, so that they have vast experience in such matters. Another important source of valuable experience was the International Development Strategy for the Second United Nations Development Decade.15

27. The parameters of the issues under consideration varied widely from colonial oppression to the confrontation between rich and poor countries, between oppressor (developed) countries and oppressed (developing) countries. The elements of the new order called for in Algiers included trade and monetary relations; food; sovereignty over natural resources, including the right to nationalize ownership under

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15 General Assembly resolution 2626 (XXV) of 24 October 1970.
national law; regulation of transnational corporations; transfer of technology; co-operation among developing countries and between developing and developed countries; the environment; special measures for the least developed countries; conservation and development of national cultures; and the Charter of Economic Rights and Duties of States. Virtually all these elements were accounted for in the resolutions adopted at the sixth special session of the United Nations General Assembly.

28. One month after the Algiers Conference, an important event—the dramatic rise in the price of oil from $3 to $12 a barrel—forced the developed countries to accord greater attention to the problems of the developing countries.

29. In April 1974, the sixth special session of the United Nations General Assembly was convened. In his opening statement, the Algerian President, Houari Boumedienne, expressed the feelings of the developing countries in the following terms:

In the eyes of the vast majority of humanity, it is an [economic] order as unjust and as outdated as the colonial order to which it owes its origin and substance. Inasmuch as it is maintained and consolidated and therefore thrives by virtue of a process which continually impoverishes the poor and enriches the rich, this economic order constitutes the major obstacle standing in the way of any hope of development and progress for all the countries of the third world. 15

In making this statement, President Boumedienne was saying that the question was not simply one of primary commodities but involved a whole complex system of international relations which affected the developing countries.

30. It was at the sixth special session of the General Assembly that the Declaration on the Establishment of a New International Economic Order16 was adopted; later in the same year, the General Assembly, at its twenty-ninth session, adopted the Charter of Economic Rights and Duties of States.17 These two instruments laid down the basic rights and obligations of all States Members of the United Nations under the new order that was being called for.

31. The manner in which these obligations were to be discharged was the main theme of the Fifth Con-

15 Official Records of the General Assembly, Sixth Special Session, Plenary Meetings, 2298th meeting, para. 36.
16 General Assembly resolution 3201 (S-VI) of 1 May 1974.
17 General Assembly resolution 3281 (XXIX) of 12 December 1974.

The non-aligned movement was founded in 1961 by a group of developing countries. During the first decade of its existence, the movement’s activities focused mainly on the consolidation of the political independence of its members. At the turn of the decade, however, economic issues—and, more precisely, the problems of development—began to command increasing attention. Today, the non-aligned movement has become an international pressure group for the reorganization of the international economic system. In fact, it has played a key role in making the development issue a priority item on the international agenda.

Within a few years, the non-aligned movement had transformed itself from an informal gathering of like-minded leaders who discussed global political strategies into a highly structured movement, in fact a caucus, the largest part of whose detailed and concrete activities revolve around economic matters. The developing countries had mobilized and organized themselves to promote development. 18

32. Today, the non-aligned movement is involved in an internal struggle to maintain its independence and remain equidistant from the major power blocs. At its summit conference held in New Delhi in March 1983, it succeeded in reaffirming its position of active neutrality and its unwavering commitment to the development of the poor countries, the establishment of a new international economic order and disarmament.

33. Finally, it should be understood that the non-aligned movement is not based on an ideology which is either leftist or rightist, communist or capitalist. On the contrary, it includes both "progressive" and "conservative" Governments. Any attempt to distinguish between the two groups would simply weaken the movement, as pointed out by Stankić:

The realization of the concept of the new international economic order depends upon the imperative need for the unity of the developing countries regardless of their internal socio-political systems. From this aspect, the international economic order has an anti-block character, which is identical with the anti-block political principles of non-alignment. Therefore all attempts to introduce into the front driving for a change of economic relations some ideological criteria, that is, to divide them into "progressive" and "conservative" developing countries, would only contribute to fractioning the general interest of all developing countries in their joint struggle for economic justice in the world. 19

18 Jankowitch and Sauvant, loc. cit., pp. 41 and 59.
Chapter III

THE MAJOR CHARACTERISTICS OF THE EXISTING INTERNATIONAL ECONOMIC ORDER

34. The problems of economic and social development may be internal or external. The latter kind reflect what can only be described as a very serious situation affecting the countries known as "developing" countries, inasmuch as the present system of international economic relations operates against their interests.

35. The existing system not only nullifies all efforts to narrow the gap between developing and developed countries but, still worse, magnifies that difference by depriving the former of their rightful say in decisions on international economic and commercial questions of vital interest to them. The gap between the levels of living of developed and developing countries continues to widen—from roughly 16:1 in the 1950s to 14:1 at the end of the 1970s. 21

A. Primary commodities

36. The developing countries are mainly sellers of primary or semi-processed products, which together—depending on the country—represent 70-90 per cent of their exports. Moreover, many of those countries derive their foreign earnings from the sale of just one, two or three commodities, thereby making their external sector increasingly vulnerable. These primary commodities are subject to speculation, as developed countries frequently overstock them (keeping surpluses) when international prices are low, so as to hold sufficient reserves when there is a move to raise prices. Foreign markets for developing countries' products are few and their principal export articles are subject to price fluctuations impossible for them to control.

37. Under the existing system, the "aid" provided to developing countries has been amply offset by the inadequate prices set for their commodities in international markets. As a first step towards ensuring their better protection, they must establish producers' associations, after the pattern of the Organization of Petroleum Exporting Countries (OPEC) for oil, and the Intergovernmental Council of Copper Exporting Countries (CIPEC) for copper:

Depending upon the commodity under consideration, producers' associations can either influence the market price as OPEC has done, reduce short-term instability, as for rubber, or improve the share of the producer in the final sale price to the consumer, as for bauxite. Producers' associations are particularly vital in those cases where there is a conflict of interest between producers and a concentration of consumers in regard to price enhancement, expansion of domestic processing, etc. Producers' associations can extend the collective self-reliance of the developing countries by strengthening their capacity to influence decision-making processes and by augmenting technological know-how, information about markets, co-production and joint marketing capabilities. 22

38. Developing countries are permanently frustrated by the fall in prices of their export products, whose value, in relation to the products that they must import from developed countries, is steadily declining. A case in point is the example quoted by Stanovnik:

The exporter of copper will be told that the price of his product was the same in 1975 as in 1968 but he will notice that the same quantity of his exports has brought from the industrial countries only half as much as he was able to import for the same quantity of copper some seven years before. Similarly the producer and exporter of just will realize that the increase of more than 40 per cent in the prices of his product during the first half of the 1970s has done him no good as he was able to buy by the mid-1970s some 30 per cent less in quantity of imported goods for the same quantity of exported jute. 23

39. In addition to the deterioration and continual instability of the prices of primary commodities, another, equally serious, problem exists:

The link between the producer and the world market is by no means direct. While, for instance, the world market price for cacao reached some 135 US cents per kilogram in 1974, the producer in Ghana and Cameroon received only about 45 cents, in the Ivory Coast 52 cents, and in Nigeria, 76 cents. The price of coffee attained 115 US cents on the world market in 1972, but the producer in Uganda received only 17 cents and in the Ivory Coast, some 59 cents. 24

40. Mr. Indalecio Llédano, President of the thirty-third session of the United Nations General Assembly, quite rightly maintained, in his opening address, that the industrialized countries were trying to solve their unemployment and inflation problems at the expense of the poor countries; to attain the price stability that suited them, they were holding down the prices of primary commodities from the developing world. 25 As a result of this drop in commodity prices compared with those of industrial products, developing countries, which are mainly exporters of primary commodities, are forced to export a growing volume of raw materials each year in order to acquire the industrial products needed for their development. This phenomenon has been dubbed the "external strangulation of development".

41. An international structure to replace the present system—which came into being without any previous plan—presupposes a whole range of legal problems and the adoption of an international economic law. Any

22 Ibid., p. 39.
23 Stanovnik, op. cit, p. 32.
system established will have to take account of the Integrated Programme for Commodities, which comprises two main elements: (a) establishment of minimum prices for primary commodities in relation to the price index of industrial products; and (b) operation of a common financing fund to permit stocking of raw materials as a means of regulating prices. The Agreement Establishing the Common Fund for Commodities will enter into force when it has been ratified by at least 90 States representing not less than two thirds of the directly contributed capital.  

B. Food

42. Some years ago, the developing countries were chiefly importers of foodstuffs. Nowadays, however, they are major food exporters. "Thus developing countries with more than two thirds of the world's population and 91 per cent of agricultural employment are responsible for only 44 per cent of the world's food production."  

43. The somewhat traditional forms of production in the developing countries mean that they continue to produce large quantities of non-food agricultural commodities for export, not realizing that, generally speaking, such export products have a much lower position in the international market than do the foodstuffs they import.  

44. The rates of growth in food production in the developed and the developing countries have been very similar in the past two decades, but this parity is completely lost if the marked difference in the rate of growth of population in the two groups of countries is taken into consideration, to such an extent that the per capita growth in food production in the developing countries has been virtually nil, or even negative in some instances.  

45. Cereals, which supply half or more of calorie intake throughout the world, are a case in point:  

Food production in all the developing countries rose by over two and a half per cent annually between 1950 and 1975; but demand for food has grown by well over three per cent a year as populations and incomes have gone up. As a result the developing countries have rapidly increased their imports of cereals, from relatively low levels in the 1950s to 20 million tons in 1960 and 1961, to over 50 million tons in the early 1970s and nearly 80 million by 1978-9. On current trends the Third World could be importing 145 million tons of food by 1990, 80 million of which would be needed by the poorer countries of Asia and Africa.  

46. If the developing countries do not succeed in increasing food production, prices will again be inflated, as happened in the early 1970s. But higher production is not enough in itself. Better distribution of income and land and improved storage facilities are also needed.  

47. The dependence of the developing countries on food imports is indeed a matter of concern, since it leads to a drain on foreign exchange resources.  

48. The solution to the world food problem does not lie solely in international trade. It must also be bolstered by each country's own efforts, without this in any way entailing disregard for the estimates of the Food and Agriculture Organization of the United Nations (FAO) and the World Bank, which indicate needs for additional assistance to agriculture up to 1990 from $4 billion to over $8 billion a year in order to make up the deficit in food output.  

49. In addition, priority attention must be paid to irrigation, agricultural investment, storage and the use of fertilizers. Agrarian reform is of major importance in many countries, both in increasing agricultural production and in securing higher earnings for low-income groups.  

50. Greater consumption of fish would help to cut down hunger and malnutrition in many countries. It calls for increased production, but above all for the promotion of new consumer habits that will make for proper utilization of the biological resources of countries that have them, but do not know how to exploit them.  

51. In any event, any genuine solution to the world food problem must be based on the policy of self-reliance, without, however, precluding international trade or absolving the international community from its responsibilities.  

52. As the Brandt Commission points out:  

In some low-income countries studies have shown as many as 40 per cent of pre-school children exhibiting clinical signs of malnutrition. No one can state the exact numbers in the world who experience hunger and malnutrition, but all estimates count them in hundreds of millions: millions who will either die from lack of food or have their physical development impaired. It is an intolerable situation.  

The food problem is extremely serious, but what is even worse is that it is continuing to grow more acute, to the extent that one third of mankind is now suffering from hunger.  

53. For the above reasons, the Special Rapporteur concurs with the conclusion of the Director-General for Development and International Economic Co-operation that:

several tasks need to be urgently undertaken. In addition to massive efforts to raise food production in areas of need and to promote con-  

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"Ibid., p. 93."


"The Sub-Commission on Prevention of Discrimination and Protection of Minorities, in its resolution 1982/27 of 7 September 1982, noted 'the central importance, in the context of establishing a new international economic order, of eliminating hunger and malnutrition throughout the world and thereby ensuring respect for the human right to adequate food'. A study on the right to adequate food as a human right, which is to be prepared by Mr. Asbjørn Eide, Special Rapporteur of the Sub-Commission, pursuant to Economic and Social Council decision 1981/140, will deal, inter alia, with the relationship between the establishment of a new international economic order and realization of the right to adequate food."
sion to the benefit of the hungry and the malnourished, the key task is the completion of a world food security system at national and international levels. The efforts of the international community should be directed to crisis prevention, including establishment of an adequate aid floor, a special financing facility, and improvement of domestic food security infrastructure, while seeking to establish mechanisms of management in times of food crisis of a formal and binding nature.¹³

C. Manufactures and semi-manufactures

54. Economists like Arthur Lewis and Victor Urquidi stress the importance of exports for stimulating the development process, being the only sector of the economy capable of expansion (world markets permitting), despite the limitations imposed by inadequate domestic markets. However, as stated by the Director-General for Development and International Economic Co-operation:

The rapidity of industrialization and the growth in export of manufactured goods achieved by developing countries in recent years notwithstanding, developing countries still play a marginal role as suppliers of manufactured products to developing countries. The "vertical division of labour" between developed and developing countries, whereby the former exchange primary commodity exports to the latter for a reverse flow of manufactured goods, continues to be the dominant feature of trade relations between the two groups of countries.¹⁴

55. World Bank projections indicate only modest growth for the developing countries' exports in the next 10 years (from 6 to 6.4 per cent). But it will be simply impossible to maintain this growth if the protectionist barriers erected by developed nations are maintained or continue to grow as they have done recently. The fact is that this trend towards protectionism and restrictive trade practices is gathering momentum in all the industrialized nations.

56. The pretext given by these nations to justify their protectionist attitude is that the increase in developing countries' exports causes a loss of employment opportunities in those countries, due to the import of goods from developing countries. However, this argument is very far-fetched, for according to World Bank statistics, developing countries provide less than 3 per cent of the developed nations' requirements of manufactured goods.¹⁵ They forget that the number of workers displaced by imports from developing countries is only a tiny fraction of the number who lose their jobs as a result of technological change and innovation.

In recent years, barriers to market access for the manufactured goods of the developing countries have been increasing in the industrialized countries. The impact on developing countries of the so-called "new protectionism" in developed countries is not confined to their trade in products such as textiles, clothing, leather goods and footwear, of which they have been traditionally low-cost producers. It is extending to such other sectors as electronics and shipbuilding, etc., where developing countries are developing substantial production capacity for export.

The phenomenon of "new protectionism" in developed countries emerged against the backdrop of the crisis of recession and unemployment. It is now widely perceived as a symptom of an underlying maladjustment in the world economy and is therefore seen as having a much more durable character.¹⁶

57. If the developed countries were prepared to accept a more liberal import policy, that would permit a more rapid expansion of developing countries' exports, which would ultimately stimulate the demand for developed countries' exports. The non-reciprocal generalized system of preferences, which was devised for the benefit of developing countries, must be strengthened by specific measures. The system must be non-discriminatory, non-regional, general in scope, and hence without the counterpart of tariff concessions by the country of origin.¹⁷

D. Monetary and financial questions

58. Insufficient attention is paid to developing countries' interests when establishing monetary and financial policies at the world level. The World Bank and the International Monetary Fund (IMF), which came into being as a result of the agreements adopted at the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, in 1944, were two corner-stones of the monetary system established after the Second World War, but they began to display serious limitations in the 1970s, and today these have developed into grave defects and failure to adapt to the needs of developing countries. The General Agreement on Tariffs and Trade (GATT), established in 1947 to promote free trade, prescribes import quotas and reduces tariffs, has become, in turn, an institution controlled by the developed countries.

59. The developing countries have very little say in the decision-making process of these institutions, as voting power is tied to country quotas or contributions. In IMF, for instance, the size of quotas is determined on the basis of each member's reserves and national income, and members' voting rights are determined by the size of their quotas. The developed countries therefore have decisive weight in the adoption of decisions by these institutions.¹⁸

60. Specifically, the developing countries at present hold 38.5 per cent of the voting rights in the World Bank, compared to the 42.5 per cent held by the major industrial countries and the 19 per cent held by the remaining industrial countries.¹⁹ The fact that the developing countries have so little voice in decision-making has led them to propose that votes should be divided equally between developed and developing

¹³ Towards the New International Economic Order: Analytical Report ... (United Nations publication, Sales No. E.82.II.A.7), para. 89.
¹⁴ Ibid., para. 165.
¹⁷ See "The regional and national dimensions of the right to development as a human right: study by the Secretary-General" (E/CN.4/4(1421), paras. 150-153.
countries. Similar pressure is being exerted in IMF, where the developing countries control only 28 per cent of the voting power.\(^4\)

61. This was one of the factors highlighted in the Arusha Programme for Collective Self-Reliance and Framework for Negotiations, adopted in 1979 by the Fourth Ministerial Meeting of the Group of 77.\(^4\) The Group of 77 even went so far as to map out the characteristics of international monetary reform compatible with a satisfactory adjustment process, taking into account the negative effects of exchange-rate fluctuations, world inflation and the balance-of-payments support to be provided to developing countries.

62. The multilateral financial institutions, such as the regional development banks (for example, the Inter-American Development Bank), the International Development Association—a subsidiary of the World Bank—and IMF, have shown themselves increasingly incapable of creating sufficient liquidity or providing the developing countries with the necessary capital on preferential terms. As a result, these institutions are compelled to obtain funds on the private capital market at high rates of interest and with much shorter repayment periods.

63. Moreover, the few loans granted by these institutions are made subject to innumerable conditions which seldom take account of the conditions prevailing in the developing countries. Accordingly, at the non-aligned summit conference held in New Delhi in March 1983, serious concern was expressed at the growing pressures exerted by certain developed countries on the multilateral institutions, especially the World Bank and IMF, to adopt a politically motivated approach to conditionality and the granting of loans, which is inconsistent with the needs of the developing countries.\(^4\) The non-aligned countries also expressed deep disappointment that the Interim Committee of IMF, at its meeting early in 1983, had recommended an increase of Fund quotas to only SDR 90 billion, when a doubling of quotas to about SDR 125 billion was essential in order to meet current needs.\(^4\)

64. The non-aligned countries strongly opposed the view that IMF was a “lender of last resort” and stressed the advantages, as IMF itself had done, of encouraging countries to seek its assistance at earlier stages of need\(^4\) and not when the situation had already become critical.

65. The conditions imposed today by certain international organizations, such as IMF, when making available balance-of-payments assistance oblige developing countries to impose specified domestic policies which have extremely dangerous consequences, such as growing rates of inflation and unemployment.\(^4\)

66. IMF usually “recommends”, among other measures, periodical adjustments of the prices of petrol and electricity, the elimination of all kinds of subsidies for essential foodstuffs, higher interest rates and other measures of the same kind that help to aggravate inflation which, as is well known, affects mainly the lower-income groups. Inflation has been aptly described as a form of tax which primarily affects the working classes.

67. It also “recommends” the reduction of external tariffs, thus favouring the developed countries by enabling them to improve sales of their products and pursue their penetration of the developing world’s markets. The lowering of tariffs encourages imports and the purchase of foreign products has the logistical consequence of diminishing the currency reserves the developing countries make such great efforts to acquire. The more or less indiscriminate importation of foreign products is a waste of money and particularly of foreign currency, which could well otherwise be directed towards activities of real benefit to the countries affected by this policy of undue openness to the external market. Thus, more is spent than should be, and often on what is not even necessary.

68. This degree of openness to imports affects the development of national industry, which is exposed to competition that is not always healthy and fair, as is repeatedly shown by the dumping of imported goods on national markets. Some protection must be given to developing country industries, which will otherwise be seriously damaged and even dealt a mortal blow, leading to ever-increasing external dependence. Great care must be taken in applying a policy of liberalizing imports, and in no case can it be applied indiscriminately in the developing countries. Nor must it go to the extreme of over-protecting the industries of the developing countries and making them inefficient.

69. The other effect of an indiscriminate policy of openness to imports is that the impact on domestic industry makes for greater unemployment, which of all evils is perhaps the worst. A person without employment is not only unable to help to feed his family; he loses vitality and becomes discouraged and demoralized, to the point where he may become a parasite in the society of which he is a part.

70. International organizations such as IMF, the World Bank and, to some extent, GATT must take account of the social consequences and effects their “recommendations” or “prescriptions” may have in the developing countries which are obliged to follow them.\(^4\)


E. Financial resources for development

71. One way to iron out the blatant inequalities between developing and developed countries would be to implement the measures provided for in the International Development Strategy for the Third United Nations Development Decade, which reiterates the objective proclaimed by the General Assembly, in the International Development Strategy for the Second United Nations Development Decade, 47 that the developed countries should provide development countries with a minimum net amount of 0.7 per cent of their GNP each year in the form of official development assistance:

A rapid and substantial increase will be made in official development assistance by all developed countries, with a view to reaching, and, where possible, surpassing the agreed International target of 0.7 per cent of the gross national product of developed countries. To this end, developed countries which have not yet reached the target should exert their best efforts to reach it by 1985, and in any case not later than in the second half of the Decade. The target of 1 per cent should be reached as soon as possible thereafter. 48

72. So far, very few of the developed countries have shown signs of meeting this need and those with greater political and economic pull are resisting the appeal, fearful that, in responding to it, they might have to meet higher targets in the future. For this decision to take effect, it would be necessary to formulate and secure general acceptance of a new legal concept, as happened during the last century in connection with the social obligation to pay taxes to the State.

73. The official development assistance of the developed countries to the developing countries takes the form of grants or loans on preferential terms. Expressed as a percentage of the gross domestic product of the developed countries, such assistance still falls far short of the 0.7 per cent set as the target for 1985.

74. At the non-aligned summit conference held in New Delhi in March 1983, it was made clear that, despite the growing need of the developing countries for assistance on favourable terms, such assistance was declining. As a result, the net disbursements of official development assistance by DAC members as a whole amounted to only 0.35 per cent of their GNP in 1981, as against 0.51 per cent in 1960. After two decades, the achievement is barely half the United Nations target of 0.7 per cent of the GNP of the developed countries. 49

75. In addition, the distribution of development aid in accordance with the criteria set by the donor countries is extremely uneven. What is worse:

Motives which lay behind disparities in aid provision have led to a paradoxical situation where the poorest countries, judged to have a low "absorptive capacity", have received less aid because of the very poverty which makes more aid necessary for them. 50

F. External debt

76. The total medium- and long-term debt of the developing countries now stands at $530 billion, of which $350 billion is from private sources. Statistics on short-term debt are not reliable, but short-term debt probably brings the total debt of the developing countries to some $700 billion. In citing these statistics, the President of the World Bank has warned that "nervousness about the capacity of borrowing countries to service this debt now gnaws at the fabric of confidence on which, not only banking, but nearly all economic dealings depend." 51 IMF has estimated that by the end of 1983 the external debt of the developing countries, excluding the oil exporters, will have risen to $664 billion. 52 In a world economy showing serious signs of recession, of which the worst victims are the poor countries, how are developing countries to pay their external debts? With more loans, or indebtedness? That would increase their economic dependence and in practice would mean that poor countries would have to produce solely to pay off their creditors.

77. The developing countries are demanding a moratorium to enable them to meet their debts, for which purpose it is necessary to renegotiate terms and rates of interest, and to exempt the poorest of the developing countries from all payment. The question of the external debt of the developing countries will be dealt with separately in Chapter IV, since it has assumed such magnitude and gravity that its repercussions could seriously jeopardize the development of the poor countries and impede the proper promotion and protection of human rights. 53

G. Science and technology

78. The efforts of scientists and technologists are directed mainly towards raising the level of living of developed countries, and if science and technology are applied to the problems of the poor countries the cost is sometimes almost prohibitive. Apart from that, it is very seldom that technological progress takes account of the needs of developing countries, so that any technology transfer to those countries is mostly inadequate or, what is worse, obsolete. 54

79. The technology gap is even wider than the economic gap:

If the developing countries are, on the average, 15 times behind the industrially developed countries in per capita incomes, they lag by a factor of 50 in the level of application of modern scientific and technological knowledge. This fact is often referred to as the "technological gap". 55

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47 General Assembly resolution 2626 (XXV) of 24 October 1970.
48 General Assembly resolution 35/56 of 5 December 1980, annex, para. 98.
50 "The regional and national dimensions of the right to development as a human right: study by the Secretary-General"(E/CN.4/1421), para. 141.
52 Financial Times, 7 September 1982, special section: "World economy", p. VIII.
80. The transfer of technology is carried out essentially through the transnational corporations. Technology is geared to the conditions prevailing in the developed countries, so that it is especially suited to the needs of those countries and, in the great majority of cases, is based on high capital and energy consumption.

81. In this regard, the words of Simon Kuznets on receiving the Nobel Prize for Economics in 1971 are still as relevant today:

Advancing technology is the permissive source of economic growth, but it is only a potential, a necessary condition, in itself not sufficient. If technology is to be employed efficiently and widely, and if its own progress is to be stimulated by such use, institutional and ideological adjustment must be made to effect the proper use of innovations generated by the advancing stock of human knowledge.18

H. Transnational corporations

82. The Director-General for Development and International Economic Co-operation has stated:

Transnational corporations have acquired considerable market power vis-à-vis the Governments and enterprises of developing countries. This has been due in part to their command over resources of various kinds—finance, management, marketing networks and skills, technology and “know-how” generally; in part to their ability to combine and deploy such resources across the world; and in part because transnational corporations, particularly those enjoying monopolistic positions, have generally integrated their subsidiaries and affiliates into the company as a whole, rather than into the economy of the host country. Moreover, their affiliates have tended to behave in line with the strategy of their parent company rather than as autonomous enterprises. Transnational corporations have been able to take advantage of their strong bargaining positions in a variety of ways—on occasion by interfering in the political affairs of the host country—and the relationships between transnational corporations and host countries have often involved patterns of growth and industrialization that cause the benefits of investment and associated activity to be distributed inequitably and that limit the ability of developing countries to pursue self-sustained development.19

83. Experience has shown that, if the capabilities of transnational corporations are to be used for the development of the host country, systematic and constant effort is required in order to ensure that the activities of those corporations benefit both the company and the host country and do not damage domestic and, above all, technological capacities.

84. The transnational corporations, or multinationals as they are also known, operate mainly in the areas of mining, raw materials, industrialization, food and energy. They control up to a third of world production and are particularly active in the fields of processing and marketing. The total sales of their foreign subsidiaries in 1976 were estimated at $830 billion, which was approximately the same as the then GNP of all developing countries, with the exception of the petroleum-exporting countries.20

85. A United Nations survey of the role of transnational corporations in world development concluded that if relations between Governments and transnational corporations were to evolve in a mutually beneficial manner, it was essential, as a minimum, that the expectations, rights and responsibilities of all sides should be known, understood and respected, and that it was also important for national policies to be supplemented by international standards.21

86. In this light, the work presently being undertaken by the Commission on Transnational Corporations on the drafting of a “United Nations Code of Conduct on Transnational Corporations” assumes great significance. The draft code as it stood on 21 May 1983 contained an important provision which stated that:

Transnational corporations should/shall respect human rights and fundamental freedoms in the countries in which they operate. In their social and industrial relations, transnational corporations should/shall not discriminate on the basis of race, colour, sex, religion, language, social, national and ethnic origin or political or other opinion. Transnational corporations should/shall conform to governmental policies designed to extend equality of opportunity and treatment.22

1. Disarmament

87. The role of disarmament should also be emphasized. Let us imagine for a moment what it would mean if the huge resources devoted to military ends were used for civilian purposes. How much could be achieved and how many development programmes could be launched? It is moreover essential to bear in mind how difficult it is for the developing countries, in view of the world’s armaments-oriented structure, to pursue their own paths towards progress if at the same time they are confronted with threats of intervention and intimidation from outside. As the report of the Secretary-General on the international dimensions of the right to development concludes, “disarmament is crucial to realization of the right to development as it is to realization of the right to peace, the achievement of a new international economic order, and the promotion of respect for all human rights”.23

88. To take an example which illustrates better what expenditures on armaments represent in terms of development aid, “a tank costs today one million dollars which equals the price for some 250 private cars or a small hospital; but a bomber equals the cost of 84 hospitals; world military expenditure is today double the total expenditure on all forms of education and it is

20 E/CN.4/1134, para. 229. Despite the importance of disarmament issues, it is not proposed in the present study to duplicate work already done elsewhere. See in particular the three background papers submitted to the seminar on the relations that exist between human rights, peace and development, held in New York from 3 to 14 August 1981: A. Eide, “Consideration of the impact of the arms race in the realization of the right to development and peace: Analysis of the concrete measures for the full enjoyment of human rights, particularly the right to development” (HR/New York/1981/BP/1); Y. M. Ryabovichev, “Human rights, peace and development” (HR/New York/1981/BP/2); and B. Sm Gupta, “Towards an integrated approach to human development” (HR/New York/1981/BP/3).
three times as high as total world public expenditure for health. 43

89. An extremely dangerous development, however, is that the “share of developing countries is ... some 10-14 per cent of the world total military expenditure. While the military expenditure in the world as a whole was increasing at the annual rate of 3 per cent, in the developing countries it increased by 10 per cent per year” 44

90. Moreover, it is a fact that the areas of confrontation have shifted from direct confrontation between the great Powers to conflicts within the “peripheral” countries. The arms race places the major Powers in the absurd position of “safety from mutual destruction”. It is for this reason that such emphasis is being placed on the urgency of disarmament as mankind’s route to the world peace which it so desires. 45

43 Stanovnik, op. cit., p. 91.
44 Ibid.
Chapter IV

EXTERNAL FINANCING: HIGH LEVELS OF INDEBTEDNESS

91. The most serious world recession since 1930 is the least opportune moment for international financing institutions to adopt a stricter attitude towards borrowers and cut back their operations with them. Hence, it is counter-productive for IMF and the World Bank to have taken such an attitude just when the developing countries have to face higher oil prices, lower prices for their raw materials and higher rates of interest on debts already contracted—all against the background of a general recession in world markets.

92. Never in history have so many nations owed so much, with such little certainty of being able to repay.

93. Major United States banks are over-exposed. For example, as reported in Time magazine, New York’s Chemical Bank has $1.4 billion on loan to Mexico and $370 million on loan to Argentina, sums which amount to 92 per cent of its shareholders’ equity. Chase Manhattan has a total of $2.5 billion on loan to the two countries, which represents 77 per cent of its shareholders’ equity, and Citicorp, another New York bank, is reported to have $4 billion on loan, amounting to 85 per cent of its equity.

94. This reveals the extent of the dependence of some major United States banks on the market in developing countries. But the financial market is not the only one that is so complex and interwoven. The same source indicates that 40 per cent of United States exports are intended for the developing countries and one manufacturing job in 20 in the United States hinges on that market. The countries with heavy borrowings from the developed countries are precisely their best buyers, so that any sharp cut-back in the granting of loans will boomerang in the form of less demand and fewer imports by the developing countries.

95. The current concern in the financial world is perfectly understandable if we remember that the total external debt of the developing countries in 1981 stood at about $520 billion and, according to some estimates, may reach three times that figure by the end of the decade. Also, according to IMF, the total foreign debt of 115 non-oil-exporting developing countries amounted to $612 billion by the end of 1982.

96. The indebtedness of the developing countries has climbed to extremely high levels and has been made worse by the rise in interest rates, so much so that, as stated by the President of the First Boston Bank in November 1982, if the situation prevailing since mid-1982 continues and Latin America obtains resources from the private international banking system similar to those received in 1981, it would become an exporter of capital to foreign banks. Another source reports that, in 1982, the Latin American region as a whole was paying foreign bankers more than it was borrowing. Hence, it will have to make net debt repayments greater than the amount received.

97. If a sharp cut-back were to occur in the flow of capital to developing countries, making their financial situation still worse, an idea that has not been entirely discarded might well gain ground, namely, that the debtor countries should organize a kind of cartel to negotiate jointly the terms and conditions for repayment of debts or, and this is less likely, to refuse to pay, which would constitute a general default.

98. The Morgan Guaranty Trust Company has supplied an instructive list of countries showing their external debt, their debt service payments for 1983 and what such debt servicing represents in terms of their exports:

<table>
<thead>
<tr>
<th>Country</th>
<th>Total @ year-end 1982 (billions of dollars)</th>
<th>Debt service payment for 1983 (billions of dollars)</th>
<th>Payment as percentage of exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>87.0**</td>
<td>30.8</td>
<td>117</td>
</tr>
<tr>
<td>Mexico</td>
<td>80.1</td>
<td>43.1</td>
<td>126</td>
</tr>
<tr>
<td>Argentina</td>
<td>43.0**</td>
<td>18.4</td>
<td>153</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>36.9</td>
<td>15.7</td>
<td>49</td>
</tr>
<tr>
<td>Venezuela</td>
<td>28.0</td>
<td>19.9</td>
<td>101</td>
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<tr>
<td>Israel</td>
<td>26.7</td>
<td>15.2</td>
<td>126</td>
</tr>
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Source: Morgan Guaranty Trust Company.

* Includes interest due on debt plus amortization due in 1983.
** Time estimate.

100. The Economist, 25 September 1982, p. 73.
101. See Time, 10 January 1983, p. 5.
99. It will be seen from this list that the countries mentioned therein will have to reschedule or refinance their external debt, since they cannot be expected to pay for debt servicing amounts that are similar to those earned from their exports; even two thirds would be unacceptable, since they would then be unable to import either capital goods or inputs for their industries. The debt servicing/export ratio should not be more than 50 per cent (which is high enough in itself). If it is, it leads to a situation in which the developing countries, large and small, overtaken by poverty and unemployment, would be compelled to cut back their imports and force down demand. Nevertheless, inflation cannot be controlled so easily in most instances.  

100. The rise in interest rates on the international financial market has in fact been one of the reasons that has aggravated the external debt problem of the developing countries. Every 1 per cent rise or fall in the interest rate on the overall external debt represents approximately $2 billion more or $2 billion less each year.  

101. While the external debt of some countries may seem unmanageable, it should not be forgotten that, if the international banking system suddenly cuts off the supply, the developing countries will not be in a position to repay their borrowings.  

102. In recent years, there have been many cases in which international banks have freely issued loans at high interest rates, without bothering very much about the very high profitability the borrower would need to obtain on his investment of the amount borrowed.  

103. The approach adopted by international capital in recent years has altered considerably. It is no longer interested in risk investment, preferring instead to grant credits which present no risk whatsoever for foreign capital. Foreign investment as such has been relegated to second place, other than in exceptional cases, such as the mining or the petroleum industries.  

104. Since 1982, with the deepening recession, there has been a marked decrease in the annual flow of private bank loans to developing countries.  

105. As the Seventh Conference of Heads of State or Government of Non-Aligned Countries, an estimate was made of the losses of foreign exchange over the past two years:  

Allowing for off-setting factors, the net foreign exchange loss suffered by developing countries during this period is estimated at about $200 billion. This massive decline in foreign exchange availability has led to a corresponding decline in the import capacity of developing countries, thereby reducing the exports of developed countries and threatening a major and cumulative contraction in world economic activity. This alarming process has already begun.  

106. A matter of persistent concern is that a group of commercial bankers calling themselves the "Ditchley Group" (by virtue of the fact that they meet at Ditchley Park, an isolated property near Oxford, England) have formed a highly secret association consisting of United Kingdom, United States and other commercial bankers headed by Barclays Bank, London, and the Morgan Guaranty Trust Company in the United States, and including among its members some international public officials.  

107. This financial association was founded in May 1982 and is accused of constituting a lenders' cartel and of rationing and deliberately cutting down credit to the developing countries. The Group's objective, according to Lyndon H. Laroche Jr., a member of the Democratic National Program Committee, is a conspiracy to cut the credit lines to the third world, thus choking off those countries and compelling them to accept the more drastic conditions of IMF.  

108. In any event, this attitude on the part of the Ditchley Group would simply make things more difficult and, in the long run, the banks involved would also be harmed, since their borrowers would no longer be able to repay.  

109. The repercussions of this crisis may be truly appalling, not only because of the economic implications but also because of the political and social effects, which may well prove uncontrollable. This has already been recognized in some circles.  

110. No analysis of the crisis of the growing indebtedness of the developing countries can disregard its potentially far-reaching consequences, above all in the countries with the highest indebtedness. They cannot merely be asked to be good payers, leaving their internal problems unsolved and setting aside their priority concern, namely, their own economic development. If they are subjected to pressure, any social problems that ensue cannot come as a surprise.  

111. The developing countries still need enormous amounts of foreign capital. This may be invested as risk capital—in other words, as direct investment exposed to all the ups and downs involved—or it may take the shape of soft loans or loans at preferential interest rates that will enable them to be used for the benefit of the recipient countries. However, it has to be recognized that neither of these forms is preferred by foreign capital at the present time.  

112. The current situation regarding the external debt of the developing countries is extremely serious. Indeed, entire countries are on the verge of collapse. Unless realistic action is taken promptly, the whole of the international financial system itself may well collapse. However, the problem has not yet been tackled, except through short-term measures which do not provide any genuine medium-term or long-term solution, and the danger of a widespread cessation of payments therefore remains.  

113. It is clear that the arrangements made in the cases of Mexico and Argentina are not solving the problem but postponing it once again, giving rise to the

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72 Financial Times, 7 September 1982, special section: "World economy", p. VIII.  

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grave danger that, when the crises recur, it will be still more difficult to control. Some real solution must be found without delay if the international financial system is not to collapse irretrievably.

114. Somewhat encouraging in this respect was the announcement by the World Bank at the beginning of 1983 of a new scheme that is highly technical but will, in essence, enable commercial banks to make loans to developing countries for longer periods, with the World Bank itself taking on greater risks. This programme will last for two years and will provide $500 million for investments, which it is estimated could generate up to $2,500 million. This “co-financing” plan will make it possible for commercial banks to participate in projects financed by the World Bank in the developing countries, with the private sector supplementing the loans granted by the Bank, which will not participate in any “rescheduling” or “refinancing” of such joint loans. This plan is not intended to deal with large-scale problems but will indisputably favour the smaller banks, which do not have research facilities of their own.

115. Given the very high level of indebtedness of developing countries, it is essential to devise comprehensive and realistic solutions. A study could be made of the desirability of a system through which the developed countries would acquire from private banks loans made to countries with payments problems. This acquisition would, of course, be at a price lower than the nominal value of the loans and, although this would represent some loss for the private banks, it would nevertheless enable them to recover a considerable proportion of the amount loaned.

116. The acquiring Governments would then negotiate a long-term refinancing plan with the debtor countries, reducing the amounts of annual payments to appropriate or bearable levels based on capacity to pay. The debt might even be converted into negotiable instruments guaranteed in some way by the national treasuries or equivalent institutions of the developed countries involved.

117. The effects of this colossal indebtedness on human rights are now making themselves felt. The third world countries are cutting their development programmes severely, Governments have been practically forced to call a halt to their public works projects, and unemployment and underemployment continue to grow at an uncontrollable rate. These conditions are creating a negative social atmosphere which is affecting the poorer classes and is contributing to the development of a dangerous climate of political insecurity. In the last two years, the building of schools, hospitals and housing and the development of social security services have become virtually a luxury undertaking for the developing countries.

Chapter V

THE LINK BETWEEN ECONOMIC ISSUES AND HUMAN RIGHTS

118. The link between economic issues and human rights is, of course, nothing new. Historically speaking, the first human rights to be recognized were civil and political rights. Economic, social and cultural rights came later, at the end of the nineteenth century. Now, in the second half of the twentieth century, an effort is being made to formulate new human rights concepts, such as the right to International solidarity, to development, to a healthy environment and to peace, and other rights that belong to a third stage and are in the process of conceptual elaboration, as are the tools for establishing them, which have yet to be worked out. The task is an enormous one—a challenge that must be taken up, regardless of its complexity. It is a matter for the Sub-Commission on Prevention of Discrimination and Protection of Minorities, as an independent, specialized and suitably qualified body, to study thoroughly.

119. A great deal of imagination and careful work are needed to develop these ideas and concepts, but the principles on which they are based have already gained much ground and are accepted almost everywhere.

120. The topic of human rights can be viewed differently in terms of the nature of the emphasis placed on each category or group of rights, and this depends largely on the political system imposed by each State; the argument in favour of implementing economic, social and cultural rights as an indispensable and prior requirement for the enjoyment of civil and political rights has gained many followers. However, the Special Rapporteur looks on this as a mistaken approach, since it gives a priority to economic, social and cultural rights that sets them over and above civil and political rights.

121. Indeed, the Special Rapporteur is of the opinion that it is extremely important to stress the indivisible and interdependent nature of all human rights, without giving priority to any category in particular.10 The main difficulty is not to settle on the priority but to establish a flexible relationship between both categories of rights and take each country’s level of socio-economic development fully into account; to do so, it must be remembered that the implementation of economic, social and cultural rights depends largely on each State’s level of development, while the implementation of civil and political rights depends exclusively on the political will of Governments. Thus the General Assembly has stated, in paragraph 1 (c) of resolution 32/130, that “human rights questions should be examined globally, taking into account both the overall context of the various societies in which they present themselves, as well as the need for the promotion of the full dignity of the human person and the development and well-being of the society”.

122. Enjoyment of economic, social and cultural rights depends in some measure on the efforts which States make in the form of specific and concrete domestic policies, even by overcoming the limitations of their own underdevelopment. But it also depends and it is important to grasp this—on international solidarity viewed as an extension of the principle of brotherhood, which will make it possible to redress an international economic situation that is notorious for the unequal distribution of wealth among nations and a widening gap between the rich and the poor countries which ultimately runs counter to the efforts being made to achieve collective prosperity.

123. The concept of human rights has evolved gradually. After the traditional classification into civil and political rights, or what could be termed “first generation” rights, came economic, social and cultural rights, which may be placed in the second generation, and only in recent times has the need been maintained to recognize the existence of the “rights of solidarity”, which include the right to development, to a healthy environment, to peace and to the common heritage of mankind, and other rights that make up what could be called the third generation in this evolution.11 These rights, however, have scarcely taken shape and to implement them will require a major effort along a difficult road ahead. Certain principles have already been accepted and no one can fail to recognize the overriding and urgent need to change the level of living of millions of human beings in the developing countries, many of whom are starving and are simply struggling to survive.

124. The scholar who, more than any other, has engaged in charting this important distinction as regards the emergence and recognition of what could be called different generations of human rights is Karel Vasak, who says:

The rights proclaimed in the Universal Declaration fall into two categories: on the one hand, civil and political rights and, on the other hand, economic, social and cultural rights. Because of the changing patterns of society in recent years, it has become imperative to formulate what the Director-General of UNESCO has termed “the third generation of human rights”.

The first generation concerns “negative” rights, in the sense that their respect requires that the state do nothing to interfere with individual liberties, and correspond roughly to the civil and political rights. The second generation, on the other hand, requires positive action by the state to be implemented, as is the case with most social, economic and cultural rights. The international community is now

10 As stated in paragraph 1 (c) of General Assembly resolution 32/130 of 16 December 1977: “All human rights and fundamental freedoms are indivisible and interdependent; equal attention and urgent consideration should be given to the implementation, promotion and protection of both civil and political, and economic, social and cultural rights”.

embarking upon a third generation of human rights which may be called "rights of solidarity".

Such rights include the right to development, the right to a healthy and ecologically balanced environment, the right to peace, and the right to ownership of the common heritage of mankind. Since these rights reflect a certain conception of community life, they can only be implemented by the combined efforts of everyone: individuals, states and other bodies, as well as public and private institutions.  

127.  For a better understanding of this important development and extension of the concept of human rights, it must be generally understood that the current situation of mankind requires once and for all a more effective system of international co-operation aimed at eliminating the existing disparities as part of a strategy for concerted action that encompasses all spheres of economic and social life. No country can evade its responsibility in such a task, one which all must share.

128.  It cannot be denied that the linking of economic issues with human rights is to be attributed to the victory of Marxist doctrine at the start of this century, just as civil and political rights are related both to the independence of the United States of America and to the French Revolution at the end of the eighteenth century. The rights of solidarity claimed today are in their turn undeniably linked with the demands of the developing countries, the poor countries, the "peripheral" countries, the very countries calling for the establishment of a new international economic order.

129.  It is clear from what precedes that the analysis of this subject requires an interdisciplinary approach if really effective solutions are to be found to such a complex problem. It is not just an economic problem without trade implications or a political one without social implications. On the contrary, it is a problem with wide ramifications requiring an interdisciplinary approach embracing the manifold aspects involved.

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K. Vatsal, "A 20-year struggle; the sustained efforts to give force of law to the Universal Declaration of Human Rights, UNESCO Courier, November 1977, p. 29.
Chapter VI

JUSTICE AND EQUALITY: THE ESSENTIAL GUIDING PRINCIPLES FOR THE ELIMINATION OF THE UNACCEPTABLE DISPARITIES IN THE PRESENT ECONOMIC SYSTEM

130. No one can deny that some facts are beyond dispute and call for concern in all quarters. The standard of living of countless millions of people in the developing regions continues to be pitifully low. They suffer from hunger and malnutrition, remain uneducated and permanently face unemployment. While one part of the world lives in comfort and even affluence, the great majority live in poverty, and the gap is widening.

131. The rich countries of the North, including Eastern Europe, have a quarter of the world’s population, yet they have four fifths of its income. The poor countries of the South, including China, have 3 billion people—three quarters of the world’s population, but they live on one fifth of the world’s income.\(^1\)

132. In the countries of the North, the average person has a life expectancy of 70 years and will be educated at least to the secondary school level. In the countries of the South, the great majority have a life expectancy of 50 years, and 50 per cent of the population have no opportunity of learning to read and write.

133. It is therefore necessary to seek a better and more effective system of international co-operation that will make it possible to eliminate the grave disparities in the world of today and lead to the establishment of a new, more just and more equitable order which has as its basis the essential equality of all people. It must be borne in mind that:

Equality is the fundamental imperative in human affairs. Poverty degrades not only those who suffer from it, but also those who tolerate it. The achievement of equality for all men and women is therefore the most basic prerequisite for the safeguarding of human dignity.\(^2\)

134. Those who live in absolute poverty cannot even satisfy the minimum needs of a decent life: enough food, a minimum of clothing, living space, drinking water, satisfactory sanitary installations, elementary hygiene, basic schooling for children, etc. The hundreds of millions of people who live in these conditions are permanently denied most of the fundamental and inalienable human rights recognized in the Universal Declaration of Human Rights.

135. The desired new order must create and ensure the conditions that will make it possible to achieve equality of opportunity for all, so that each State may be capable of achieving the ultimate cause for which man created it, namely, the attainment of the common good as portrayed by Aristotle:

\(^\text{1\textsuperscript{st}}}\text{North-South: A Programme for Survival (London and Sydney, Pan Books, 1980), p. 32.}\)
\(^\text{2\textsuperscript{nd}}}\text{Stanovnik, op. cit., p. 110.}\)

The common good consists of a set of social conditions which promote the existence and development of man. It is the social environment which enables a person to fulfill himself. It is not a mass of goods to be distributed, but a just order, beyond which there exists an ultimate purpose for the individual.\(^3\)

136. Today it is essential to reverse the downward trend of the developing countries vis-à-vis the developed countries. As Stanovnik clearly states:

The average per capita income of developed countries stood at some $2,000 dollars in 1955; it had increased to some $6,000 dollars by 1975. On the other hand the per capita income of the developing countries had increased during the same period from 175 to 400 dollars. The average per capita income in the developed countries was thus 11 times higher than in the developing countries some 25 years ago, and had become 15 times higher in the mid-1970s. In other words: assuming the continuation of relative rates of growth in per capita incomes in the developed and the least developed countries, an average inhabitant of the developing country has added to his income in 1 year as much as an average inhabitant of the least developed country could expect to gain in a century.\(^4\)

137. The same writer describes in percentage terms the situation of absolute poverty in which the population of specific regions live. He paints a pathetic picture: “While in Latin America some 13 per cent of the total population lives in absolute poverty, the proportion in the Middle East is 16 per cent, and in Africa south of the Sahel almost half the population falls into this category. The percentage is similar in most Southeast Asian countries”.\(^5\)

138. Inequality is not a phenomenon which occurs only as between countries; it also exists within countries. It should accordingly be borne in mind that not all disadvantaged persons live in the poorest or least developed countries. It has been found that, because of inequalities in the internal distribution of national income, a considerable number of such persons live in countries whose national product is situated at intermediate levels. According to World Bank estimates, about 79 per cent of the people in absolute poverty live in the least developed countries and about 14 per cent live in the lower middle income group of countries.\(^6\)

139. The abyss separating the developed and highly industrialized countries from the developing countries still in the process of industrialization is huge and is growing. It exists as a result of the unequal economic relations between the former and the latter, which has brought them to a situation of dependence in their relations owing to the dominant structure of production and the prevailing international division of labour.

\(^3\text{R. Ferrero Rebagliati, Ciencia política, teoría del Estado y derecho constitucional (Lima, Librería Sádium S.A., 1975), p. 147.}\)
\(^4\text{Stanovnik, op. cit., pp. 115-114.}\)
\(^5\text{Ibid., p. 115.}\)
\(^6\text{Ibid., p. 112.}\)
140. Justice and search for greater equality should be the guiding principles for international action aimed at eliminating the growing disparities between some countries and others. It must be remembered that:

The very purpose of a "new international economic order" thus goes beyond the economic sphere proper; it is directed not only to making the best use of things and sharing them out more fairly, but to developing all men and women, and every aspect of the individual, in a comprehensive cultural process, deeply permeated with values, and embracing the national environment, social relationships, education and welfare. It is also concerned with providing a basis for the development of the international community itself.18

141. Obviously, the existing economic relationship between States is very harmful to the developing countries, which are rejecting it for that reason and are already struggling to have it changed, as explained by Jean-Jacques Servan-Schreiber:

The poor countries are like ships in distress. The ideological differences and the numerous conflicts of the third world pale into insignificance compared with this new and widespread fact: their slide into absolute destitution. Fewer and fewer investments, with the consequent decline in development capacity, and indebtedness so enormous that nearly one hundred third world countries on the verge of bankruptcy are considering how, without causing a chain reaction of catastrophes—beginning with their own—to declare themselves in a state of "suspension of payments".

Such is the state of the world at the dawn of the 1980s. It is quite strictly an intolerable one. It is one that will not be tolerated.19

142. The existing unjust international economic order is a genuine obstacle to realization of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, in particular in article 25, which states that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. More than 30 years after the adoption of the Universal Declaration of Human Rights, 850 million people, that is, approximately 40 per cent of the inhabitants of the developing countries, are still living in dire poverty.20

143. In his homily of 25 July 1982, Pope John Paul II spoke of the outrage of the imbalance between rich and poor nations and urged that concrete measures be taken to eliminate hunger and to stop the manufacture of arms and the squandering of the world's resources. He also spoke of a favoured minority of rich in the world, who, incredibly, turned a blind eye to the development needs of an unfortunate majority. Hunger today was, he said, a problem of tragic urgency.21

144. This new order must be seen as a dynamic process and not as a static system of rules to provide international juridical safeguards for human rights, since the affirmations of the need for a new order, in its fullest sense, are affirmations of human rights that entail a fresh approach to the basic premises of international law.

145. It must therefore be emphasized that the central or basic element in its establishment must be man, whose essential dignity must be defended and protected; it must accordingly be understood that the ultimate goal of the new order is respect for human rights and fundamental freedoms.

146. It is clear too that, in establishing a new international economic order, account must be taken of the varying needs of developing countries at different stages of development. To that end, special attention must be given to the situation of the poorest countries, as stressed by the General Assembly in resolution 33/48 of 14 December 1978 on world social development and the new international development strategy.

147. The situation of the inhabitants of some developing countries is made even worse by major violations of human rights resulting from apartheid, racism in all its forms, foreign occupation and domination, affronts and threats to national sovereignty, national unity and territorial integrity, and, in particular, the refusal to recognize the fundamental right of peoples to self-determination and the right of all nations to exercise full sovereignty over their natural wealth and resources.

148. The new order must take into consideration two important sets of principles: (i) sovereign equality of States, self-determination of all peoples, inadmissibility of the acquisition of territories by force, and territorial integrity; and (ii) the right of the developing countries and the peoples of territories under colonial and racial domination and foreign occupation to achieve their liberation and to regain effective control over their natural resources and economic activities. These principles are clearly set forth in chapter 1 of the Charter of Economic Rights and Duties of States,22 which provides that economic, political and other relations between States should be governed by, inter alia, respect for human rights and fundamental freedoms. Article 2 of the Declaration on Social Progress and Development23 lays down that progress and development in this field are founded on respect for the dignity and value of the human person and should ensure the promotion of human rights and social justice.

149. The ultimate objective that is sought in creating a new international economic order is that it will help to ensure more and better respect for human rights, in other words, that the new international structure will work in a way that will shape conditions in which the full realization of human dignity is possible.

22 See General Assembly resolution 3281 (XXIX) of 12 December 1974.
23 See General Assembly resolution 2542 (XXIV) of 11 December 1969.
150. The developing countries cannot give effect to many of the economic, social and cultural rights because the prevailing unjust international situation deprives them of much of their ability to do so by reason of the shortage of economic resources available to them for the purpose.

151. To sum up, it can be said that the call to replace the existing unjust international order is based on the need for a new, more just order based on equity, sovereignty, equality, interdependence, mutual benefit and co-operation between all States irrespective of their economic and social systems.
Chapter VII

HUMAN RIGHTS AND THE NATIONAL AND INTERNATIONAL ORDER

152. When reference is made to the imperative need for the establishment of a new and more just order, it should not be forgotten that this concept covers not only the international but also the national order; there would be no real point in restructuring the international order for the benefit of the developing countries if the fruits of that reform did not prove beneficial to the vast majorities whose needs are the greatest. The basis and true meaning of the reform of international economic structures lie precisely in the fact that it seeks to correct inequalities between societies that are rich and others that are chronically poor; in other words, greater internal distributional justice must be achieved in the developing countries so that the ultimate beneficiaries of the drive for a new world order will be the people themselves.

153. This does not mean that the developed countries should not interest themselves in a new and more just world order simply because, in their view, the conditions for the proper distribution of wealth do not yet exist in countries which are still in the process of development, and which should be the most favoured within the new international economic structure that is to be established. This reservation is not acceptable because it would be equivalent to conferring the role of presiding judges on those who should be partners in a negotiation between sovereign countries owing each other respect.

154. The internal effort of each country should parallel what is happening at the international level, but neither process should be conditional on the progress of the other. In past centuries, international relations were governed by dependence and domination. Today a relationship of interdependence has come to replace the pattern of the past but, as was very clearly stated at the non-aligned summit conference held in New Delhi in March 1983:

"Interdependence is asymmetrical as a result of the present iniquitous economic system. The crisis has been deepening over the years. As the international economic system has become more interdependent, this interdependence has become still more asymmetrical. The failure of the international community to respond appropriately, due largely to the negative attitude of some developed countries which have neither allowed nor facilitated the adoption of an integrated approach to the solution of interrelated economic problems, has further accentuated the impact of the crisis on developing countries." *

155. Interdependence does not mean uniformity. Genuine development does not consist in grafting lifestyles from developed countries onto developing countries. It must be understood that interdependence presupposes relations between countries that are different. International co-operation should be aimed at remedying the lack or scarcity of economic resources, and the recipient States are under an obligation to participate in such co-operation. It is implicit in the right to development that States should agree to assist one another when external factors obstruct the effective implementation of human rights.

156. Nor can it be argued that a developing country which has not reached a certain level of per capita income (for example, $500 annually) should be excused from compliance with its obligation to respect and ensure respect for human rights until it has achieved the necessary minimum. Disregard for human rights cannot be justified simply because a certain stage of development has not been reached, nor can it legitimately be claimed in most situations that certain liberties must be sacrificed in the interests of a higher material standard of living.

157. An equally unacceptable argument is that the enjoyment of civil and political rights must sometimes be sacrificed in order to guarantee the implementation of economic, social and cultural rights; as explained in earlier chapters, no category of human rights is superior or hierarchically senior to another.

158. This leads to the argument currently fashionable in a number of countries that a repressive régime can perhaps be justified in the higher interests of internal security for the purpose of carrying out a particular economic policy. This is certainly not so. The economic policy of a Government cannot be used to justify repressive measures for its implementation.

159. One method whereby human rights can be truly and effectively safeguarded internally is through fair participation in which the people can express their own will in a free and responsible manner, thus enabling all the members of the community to fulfil themselves and exercise conscious freedom of choice. Workers and their organizations should participate not only in the management of public, economic, social and cultural affairs as part of the democratization of the State, but also in the decision-making processes of economic, labour and social planning, in the determination of social development goals and in the creation of conditions for achieving those goals.

160. Such participation by citizens in the decision-making processes of their countries is a principle which should apply equally at the international level, where the developing countries are entitled to participate in the making of decisions which concern or affect them. Participation by the developing countries in the

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management of the international economic system remains inadequate. 99

161. Thus, for example, in developing countries with an indigenous population, the principle of participation implies the egalitarian recognition of the right of that population to participate fully in the economic, political and social processes of the State of which it forms a part, as well as the right to preserve its traditions, customs, language and other characteristics, which find expression in the right to differ. Alienation as a deliberate national and international policy only leads to lack of identity on the part of those who are subjected to it and who, by losing their links with their own culture, also lose their authenticity and potential. More serious still is apartheid, which subordinates large sections of society to a situation of humiliating inferiority and isolates them from the State of which they form part.

162. In connection with the need to protect the most vulnerable groups, Theo van Boven places responsibility on the international community for ensuring

... the protection of vulnerable groups such as children, women, migrants, victims of ethnic or racial oppression or indigenous populations. If a human rights programme has any relevance to people, it should first and foremost be concerned with the vulnerable, the weak, the oppressed, the exploited. They always tend to be losers and also—if I may say this is passing—those who try to defend their rights and interests often find themselves standing on the losing side. We should be concerned with these vulnerable groups and we should seek to give them the benefit of the full protection of the international community. The plight of indigenous peoples is often a very acute one. Frequently they are the most under-represented parts of the population, they often have no voice in policies and decisions which directly affect their basic existence or even their survival and in many instances they are not as organized into interest groups as other parts of the population. This places a special responsibility on the international community to examine their needs and to examine ways and means of protecting their rights. 100

163. In an international order which is as profoundly undemocratic as the present one, it is regrettable that similar tendencies are frequently found in the internal order of its constituent societies. Carlos Andrés Pérez, in comparing the international with the national order, comments:

The present economic situation and social injustice are the result of this undeniable fact. If the international economic order is radically undemocratic, the same can be said of the national economic order, based as it is on privilege, unemployment and low wages. We can therefore conclude decisively that neither nations nor individuals should live at the expense of the efforts or resources of others, in the way in which great nations manipulate our economies in international society and great national interests exploit the working masses in our individual societies. Processes which at the international level stimulate its characteristic hegemonic structures lead at the national or regional level to the creation of a privileged class and the unjust distribution of wealth which is reflected in the distribution of national income. 101

164. Any form of economic aggression, as committed by some developed States against developing States, is similarly unacceptable and must therefore be categorically rejected; such forms of aggression include the use of threats, commercial sanctions or any other form of blockade and measures of coercion or blackmail to the extent that they involve means of political pressure aimed at influencing sovereign decisions. Similar views were expressed in the Sub-Commission on Prevention of Discrimination and Protection of Minorities at the thirty-fifth session. Elizabeth Odio Benito stated that:

The establishment of a new international economic order should not be subject to unacceptable conditions involving wrongful interference in the sovereign right of all peoples to self-determination. It should lay down rules for international coexistence that would prohibit the imposition of economic sanctions as a means of exerting hegemonist political pressure. No country's economy should be obstructed because of purely political differences and the imports on which it relied for subsistence or for the promotion of its development should not be subject to embargo. 102

165. In addition, Ahmed Khalifa stated that the close relationship between economic issues and political issues had in some cases unfortunately allowed human rights to become merely another weapon in propaganda attacks—which is inadmissible. 103

166. Marc Bosnuy attached particular importance to the internal protection of human rights through the existence of adequate legal security supported by the requisite number of adequately trained legal personnel. He further stressed the need for substantial and sustained efforts, backed by the necessary external assistance, to promote the training of specialist personnel in order to meet these requirements. 104

167. In a world which is becoming smaller by the day, there is no doubt that national and international developments are increasingly more closely related. The way in which changes or events within a country affect the international spectrum and have a direct or indirect influence on other countries can be clearly seen.

168. The tremendous progress of science and technology and the commercial expansion of the forces of production have increasingly linked countries' economies, cultures and policies. Modern States cannot live in isolation; just as their policies affect other States so they in turn are influenced by other States. The solution of national problems is unassailably linked to the solution of international problems. The present international system is characterized by a structure of production, consumption, accumulation and social organization which lead to enormous concentration on the one hand and great scarcity on the other. There is an excessive accumulation of wealth in a small number of countries, while one third of mankind lies exhausted and hungry with no hope except of being able to subsist in the immediate future. This situation must be remedied.

169. What has just been stated cannot exclude development models supported by self-reliance or disregard "horizontal" economic and trade co-operation among the developing countries as "a key element in freeing the developing countries from their exclusive dependence on 'vertical' relations ..." 105

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99 Towards the New International Economic Order: Analytical Report ... (United Nations publication, Sales No. E.82.II.A.7), para. 21.


100 E/CN.4/Sub.2/1982/SR.19, para. 54.

101 Stanovnik, op. cit., p. 108.

Chapter VIII
INTERNATIONAL LEGISLATIVE BASES FOR THE NEED TO
ESTABLISH A NEW INTERNATIONAL ECONOMIC ORDER

170. Among the central core instruments relating to
the new international economic order are:183
(a) Declaration on the Establishment of a New Interna-
tional Economic Order (General Assembly resolution
3201 (S-VI) of 1 May 1974);
(b) Programme of Action on the Establishment of a
New International Economic Order (General Assembly
resolution 3202 (S-VI) of 1 May 1974);
(c) Charter of Economic Rights and Duties of States
(General Assembly resolution 3281 (XXIX) of 12
December 1974);
(d) General Assembly resolution 3362 (S-VII) of 16
September 1975 on development and international
economic co-operation.

171. In addition, specific reference must be made to:
(a) Declaration on Social Progress and Development
(General Assembly resolution 2542 (XXIV) of 11
December 1969);
(b) Declaration on Principles of International Law
concerning Friendly Relations and Co-operation among
States in accordance with the Charter of the United
Nations (General Assembly resolution 2625 (XXV) of
24 October 1970);
(c) International Development Strategy for the Third
United Nations Development Decade (General
Assembly resolution 35/56 of 5 December 1980, annex).

172. In the present study it is neither possible nor
necessary to present an exhaustive list of other relevant
instruments. Such a compendium of instruments has
already been prepared by the United Nations Institute
for Training and Research (UNITAR)184 in connection
with the analytical study on the progressive develop-
ment of the principles and norms relating to the new
international economic order which it is preparing for
submission to the General Assembly.185

173. The origin of the demands for the establish-
ment of a more equitable and participatory interna-
tional economic order can, in certain respects, be traced
back to the negotiations that took place immediately
after the Second World War relating to the establish-
ment of an international trade organization and the pro-
posals for the adoption by the General Assembly of a
declaration on rights and duties of States. It is proposed
in the present chapter to undertake a brief survey of the
major legislative bases for the establishment of a new
international economic order. The major elements which
make up the demands for a new international economic
order are referred to in chapter II.

174. It was on the threshold of the 1970s that the
United Nations took a more resolute stand to help
change the international economic order, observing that
the existing order had failed to meet the requirements of
international co-operation needed to solve economic,
social, cultural or humanitarian problems or to promote
and encourage respect for human rights and fundamen-
tal freedoms for all, without distinction as to race, sex,
language or religion.

175. By its resolution 2626 (XXV) of 24 October
1970, the General Assembly adopted the International
Development Strategy for the Second United Nations
Development Decade, in paragraph 3 of which it
stressed the fact that

the level of living of countless millions of people in the developing part
of the world is still pitifully low. These people are often still under-
nourished, uneducated, unemployed and wanting in many other basic
amenities of life. While a part of the world lives in great comfort and
even affluence, much of the larger part suffers from abject poverty,
and in fact the disparity is continuing to widen.

176. Four years later the General Assembly
adopted, in resolution 3201 (S-VI) of 1 May 1974, the
Declaration on the Establishment of a New Interna-
tional Economic Order, in paragraph 2 of which it is
stated:

The present international economic order is in direct conflict with
current developments in international political and economic rela-
tions. Since 1970, the world economy has experienced a series of
great crises which have had severe repercussions, especially on the
developing countries because of their generally greater vulnerability
to external economic impulses. The developing world has become a
powerful factor that makes its influence felt in all fields of inter-
national activity. These irreversible changes in the relationship of
forces in the world necessitate the active, full and equal participation
of the developing countries in the formulation and application of all
decisions that concern the international community.

177. Paragraph 3 of the Declaration reads:

All these changes have thrust into prominence the reality of in-
terdependence of all the members of the world community. Current
events have brought into sharp focus the realization that the interests
of the developed countries and those of the developing countries can
no longer be isolated from each other, that there is a close interrela-

With the exception of resolution 35/56 of 5 December 1980, the
resolutions listed in paragraphs 170 and 171 were specifically referred to by
the General Assembly in resolution 34/150 of 17 December 1979 as being among
instruments "relating to the establishment of the new international economic order".
183 UNITAR/DS/4. The Est. of instruments cited is 81 pages long.
184 See General Assembly resolutions 34/150 of 17 December 1979,
33/166 of 13 December 1980 and 36/107 of 10 December 1981 and the
relevant reports of the Secretary-General (A/35/466 and A/36/143
and Add.1 and 2).
Thus, the political, economic and social well-being of present and future generations depends more than ever on co-operation between all the members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them.

178. Also on 1 May 1974, the General Assembly adopted resolution 3202 (S-VI), containing the Programme of Action on the Establishment of a New International Economic Order. In paragraph 1 of the Programme of Action, attention was drawn to the fact that:

In view of the continuing severe economic imbalance in the relations between developed and developing countries, and in the context of the constant and continuing aggravation of the imbalance of the economies of the developing countries and the consequent need for the mitigation of their current economic difficulties, urgent and effective measures need to be taken by the international community to assist the developing countries, while devoting particular attention to the least developed, land-locked and island developing countries and those developing countries most seriously affected by economic crises.

179. The Charter of Economic Rights and Duties of States, adopted by the General Assembly in resolution 3281 (XXIX) of 12 December 1974, is based on the promotion of collective economic security for development, in particular of the developing countries, with strict respect for the sovereign equality of each State and through the cooperation of the entire international community. In chapter I, paragraph (4), of the Charter it is stated that the fundamental principles of international economic relations include "respect for human rights and fundamental freedoms".

180. On 16 September 1975, the General Assembly adopted resolution 3362 (S-VII), on development and international economic co-operation, expressing in the preamble its determination to "eliminate injustice and inequality which afflict vast sections of humanity and to accelerate the development of developing countries".

181. It has to be recognized, however, that the linkage between this important topic and human rights has so far been very feeble, although this does not mean that it has been disregarded or overlooked. Indeed, it is highly significant that in paragraph 1 (f) of resolution 32/130 of 16 December 1977, the General Assembly decided that the approach to the future work within the United Nations system with respect to human rights questions should take into account, inter alia, the concept that the realization of the new international economic order was an essential element for the effective promotion of human rights and fundamental freedoms and should be accorded priority.

182. The importance assigned to the matter is such that the General Assembly, in paragraph 2 of resolution 32/174 of 19 December 1977, decided, inter alia, to convene a special session of the General Assembly in 1980 in order to assess the progress made in the various forums of the United Nations system in the establishment of the new international economic order and, on the basis of that assessment, to take appropriate action for the promotion of the development of developing countries and international economic co-operation, including the adoption of the new international development strategy for the 1980s.

183. There are a number of resolutions and decisions with a more or less direct bearing on the general topic of the new international economic order and the promotion of human rights that will not be referred to here, but specific mention should be made of Commission on Human Rights resolution 5 (XXXV) of 2 March 1979, in which the Commission recommended to the Economic and Social Council that a seminar be held in 1980, within the framework of the advisory services programme, on the effects of the existing unjust international economic order on the economies of the developing countries and the obstacles that this represents for the implementation of human rights and fundamental freedoms, particularly the right to enjoy adequate standards of living as proclaimed in article 25 of the Universal Declaration of Human Rights. The recommendation was endorsed by the Council, and the seminar was held at Geneva from 30 June to 11 July 1980.¹⁹³

184. Two highly important events relating to the topic under consideration thus took place in 1980. First in order of importance was the special session of the General Assembly in 1980, and second, the seminar that preceded the special session.

185. It is also important to mention resolution 6 (XXXVII) adopted by the Commission on Human Rights on 21 February 1980, in which the Commission recognized, in paragraph 1, the need to create, at the national and international levels, conditions for the full promotion and protection of the human rights of individuals and peoples, and, in paragraph 4, further recognized that, in order to guarantee fully human rights and complete personal dignity, it was necessary to guarantee the right to work, education, health and proper nourishment through the adoption of national and international measures, including the establishment of the new international economic order. The Commission once again reiterated, in paragraph 2, that the right to development was a human right and that equality of opportunity for development was as much a prerogative of nations as of individuals within nations.

186. On 5 December 1980, the General Assembly adopted in resolution 35/56 the International Development Strategy for the Third United Nations Development Decade. The Strategy, as stated in its paragraph 7, aims at "the promotion of the economic and social development of developing countries with a view to reducing significantly the current disparities between the developed and developing countries, as well as the early eradication of poverty and dependency, which, in turn, would contribute to the solution of international economic problems and sustained global economic development, and would also be supported by such development on the basis of justice, equality and mutual benefit". According to paragraph 8 of the Strategy, "the development process must promote human dignity. The ultimate aim of development is the constant improvement of the well-being of the entire population on the basis of its full participation in the process of development and a fair distribution of the benefits therefrom".

187. The important General Assembly resolution of 11 December 1989 adopting the Declaration on Social Progress and Development, resolution 2542 (XXIV),

¹⁹³ For the report of the seminar, see ST/IR/6/R/48.
must also be cited. The Declaration affirms "that man can achieve complete fulfilment of his aspirations only within a just social order and that it is consequently of cardinal importance to accelerate social and economic progress everywhere, thus contributing to international peace and solidarity" and that "social development can be promoted by peaceful coexistence, friendly relations and co-operation among States with different social, economic or political systems".

188. Before concluding this general review of the major instruments relating to the new international economic order, it is appropriate to refer briefly to the debate concerning the legal force of the recommendations, resolutions and decisions of international organizations. While a variety of viewpoints exist on this complex subject, in general terms the Special Rapporteur shares the view of Oswaldo de Rivero, who states:

Although these recommendations and decisions and the principles of economic and social policy embodied in them are not, strictly speaking, legal rules, they do constitute a set of provisions which the international community is recommending to Governments as policy measures and which may serve as a source of inspiration for the formulation of legal rules that will establish a new branch of public international law that could be called international development law. Many of these resolutions and recommendations, however, create obligations for States and, in particular, administrative obligations vis-à-vis international organizations and obligations relating to multilateral assistance programmes adopted by countries...

International development law is taking shape as a spin-off of the countless resolutions and recommendations adopted by international organizations as a result of confrontation and negotiations. In other words, it is a political factor, a catchment basin, for legal rules in favour of development, and, as such, there is no doubt that it depends on circumstances that vary from case to case and determine the amount of bargaining power the developing countries can wield in order to create the rules that are best suited to their needs and objectives.\(^\text{187}\)


Chapter IX

THE RIGHT TO DEVELOPMENT AND THE NEW INTERNATIONAL ECONOMIC ORDER

189. The concept of the right to development is a new and relatively controversial one and its precise content and implications have yet to be finally agreed upon by the international community. Nevertheless, it is of major importance in the context of the new international economic order and cannot be overlooked in the present study.

190. Kéba M'Baye was the first to articulate the concept of the right to development as a human right at the international level, in a lecture delivered to the International Institute of Human Rights in Strasbourg in 1972. Since that time both the General Assembly and the Commission on Human Rights have emphasized that the right to development is a human right and that equality of opportunity for development is as much a prerogative of nations as of individuals within nations. Different aspects of the right to development have been explored in reports prepared for the Commission on Human Rights by the Secretary-General and at seminars and workshops sponsored by various organizations. In March 1982, the Commission on Human Rights requested the Working Group of Governmental Experts on the Right to Development, which was first established in 1981, to continue its work in order to elaborate a draft declaration on the right to development.

191. In considering the content of the right to development, it is not proposed to replicate or summarize in the present study the many differing analyses which have been undertaken of the right to development. It is appropriate, however, to note briefly some of these approaches in order to facilitate a better understanding of the relevance of the right to development to the approach of the present study. First and foremost, the concept of "development" is understood not only in terms of economic and material well-being but as being directed towards the physical, moral, intellectual and cultural growth of human beings. As noted by the Director-General for Development and International Economic Co-operation in 1978:

Development is increasingly seen as a process that should be geared to the human factor both as the agent and the beneficiary of development; should be endogenous, involving the autonomous definition by each society of its own values and goals; should rely primarily on the strength and resources of each country; should encompass the transformation of obstructive structures, both national and international; should be in harmony with the environment and respect ecological constraints.

In defining the term development, it is also relevant to recall the words of Pope Paul VI in his encyclical Populusorum Progressio of 26 March 1967 when he stated that the new name for peace was development and that it could not be achieved without world solidarity. The same encyclical proposed the creation of a world assistance fund which could receive part of the immense resources absorbed by the arms race.

192. Thus the right to development relates as much to the enjoyment of economic, social and cultural rights as to civil and political rights. It has both individual and collective dimensions, the relationship between which has been expressed in the following terms by Héctor Gros Espiell:

[The] right to the full development of the individual—which has made it possible to describe the right to development very properly as a fundamental human right—[is] a basic one which at the same time conditions and implies the right to development of developing States and peoples. The progress of the latter is justified in as much as development serves to improve the economic, social and cultural circumstances of every human being.

Similarly, according to Karel Vasak, the right to development applies not only to individuals but also to human groups (local, national, ethnic and linguistic communities, etc.) as well as the State as the prime guarantor of its implementation at the individual level. For Vasak, the right to development is a consolidated right which, while incorporating a number of recognized human rights, enhances them to impart effective impetus to the institution of a new international economic order. In particular, he emphasizes that the right to development should be both the driving force and the ultimate goal of the new international economic order. As the concept of the right to development...
matures further and as it moves closer to the realm of *lex tulâ* rather than *lex ferenda*, its implications from the perspective of the present study will become clearer. Even now, however, it is possible to detect a growing consensus among scholars and commentators that the right to development is closely linked to the demands for a new international economic order and that it comport some kind of duty on the part of the developed countries towards the developing countries. While the formulation used to describe this duty varies considerably according to its source, most versions tend as their starting-point the obligation of Member States under Article 56 of the Charter of the United Nations to take joint and separate action in co-operation with the Organization for the achievement of the purposes set forth in Article 55, which include *inter alia* the promotion of higher standards of living and of universal respect for human rights.

193. The report of the Working Group of Governmental Experts on the Right to Development indicates that, in the view of several experts, the right to development “is a human right which creates specific obligations and, in particular, entails a duty for all States in the international community to practise solidarity with each other”. Similarly a conference held in 1981 on development and the rule of law concluded, in respect to the right to development, that in addition to its obligations under Articles 55 and 56 of the Charter, “each state has a moral if not a legal obligation to collaborate in rendering the international economic order more just and equitable”. According to another commentator, “the concepts of the new international economic order and the questions of human rights meet at a certain point”. In this view the right to development is a “revolutionary demand” which *inter alia* “calls for active solidarity in the struggle for liberation from dependence on the capitalist world market”.

194. These and other analyses serve to emphasize that, as stated in article 7 of the Charter of Economic Rights and Duties of States, while “every State has the primary responsibility to promote the economic, social and cultural development of its people”, there is also a duty for all States to co-operate in such a way as to facilitate the achievement of these goals. However, such formulations remain essentially at the level of generalities. In considering the relevance of the right to development in the context of the relationship between the new international economic order and human rights, the main question that arises is whether the right to development can serve as a basis for the elaboration of reasonably specific obligations relating, for example, to development assistance, non-reciprocal preferential treatment of developing countries in trade matters, or the establishment of schemes of the “world development tax” type. If such principles can be developed in the form of duties attaching to particular States and other entities, then the right to development will have made a singularly important contribution in practical terms. In the meantime, provided that the concept of human rights remains its fundamental point of reference, the right to development will continue to be an important means by which to emphasize the links between the establishment of the new international economic order and the promotion of human rights. It should be emphasized that, while the right to development can be considered an individual and a national right, the new international economic order is different in that, while its ultimate beneficiary is the individual, only States have the right to demand its establishment.

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118 B/CNA.4/1489, para. 27.

198 Some of these issues have been dealt with in a preliminary manner in *B/CN.4/1334*, see especially paragraphs 254-279.
Chapter X

ANALYSIS OF THE NEW INTERNATIONAL ECONOMIC ORDER FROM THE STANDPOINT OF HUMAN RIGHTS, BASED ON UNITED NATIONS INSTRUMENTS

A. The historical influence of human rights on the programme for the new international economic order

195. In the context of the present study, it is of major importance to note the extent to which certain human rights principles evolved in the international community in tandem with what are now viewed as objectives of the new international economic order. Thus, Article 55 of the Charter of the United Nations, which, in conjunction with Article 56, commits all Member States to take joint and separate action in co-operation with the Organization for the achievement of certain specified purposes, refers, inter alia, to the promotion of "solutions of international economic, social, health, and related problems" and of "universal respect for, and observance of, human rights and fundamental freedoms." Article 55 also proclaims "the principle of equal rights and self-determination of peoples". By bringing together these different objectives, Article 55 thus laid the groundwork for the development of the right to self-determination as a matter of fundamental importance both in terms of human rights and of the international economic order.

1. THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

196. It is appropriate at the outset of this chapter to take note of certain relevant provisions of the Universal Declaration of Human Rights of 1948. Article 22 reaffirms the link between human rights, development and international co-operation in providing that:

"Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."

197. Of even greater significance, however, is article 28, which states that:

"Everyone is entitled to a social and international order in which the rights and freedoms set forth in the Declaration can be fully realized."

The importance of this article has been disputed by academic commentators and it has accordingly given rise to a variety of interpretations. For some it is Utopian and out of place in the Universal Declaration. According to Vedel, it belongs to the "order of incantations or magic rites" and amounts to a philosophically adage rather than a legal norm. In the view of Lyon-Caen it represents "the summit of Utopia". Others, however, have accorded great significance to this right. Thus, Robinson has argued that article 28 "sets forth the ultimate conditions necessary for the realization of the specific rights contained in the Declaration" and thus "serves as an 'umbrella' for these rights and as a substitute for the missing duties of the State...". Indeed, as the United Nations has tended to focus more and more in recent years on the various structural factors which underlie human rights violations, it has become apparent that article 28 is of central importance. At the very least it serves to emphasize the indispensability of an appropriate international economic and social order for the full realization of human rights, and it points to the responsibility of the major international factors, including States and transnational corporations, to foster the development of such an order.

2. THE RIGHT TO SELF-DETERMINATION AND THE ORIGINS OF THE NEW INTERNATIONAL ECONOMIC ORDER

198. It is not proposed in the present study to duplicate the extensive analyses which have been undertaken elsewhere on the subject of the right to self-determination. It is important, however, to note that, having expressly recognized "the right of peoples and nations to self-determination" as a fundamental human right in 1950, the General Assembly in 1952 expanded its interpretation of this right to include the concept of economic self-determination. By 1955 both draft human rights covenants affirmed first the right of peoples to self-determination with its political, economic, social and cultural facets and secondly the right of peoples to "freely dispose of their natural wealth and resources...". While the first of these..."
rights was subsequently elaborated upon in the Declaration on the Granting of Independence to Colonial Countries and Peoples of 1960,112 the latter right was given full expression in General Assembly resolution 1803 (XVII) of 14 December 1962 on permanent sovereignty over natural resources. In both of the International Covenants on Human Rights, which were adopted by the General Assembly in 1966 and which now form part of positive international law, the right of peoples to self-determination is affirmed in article 1.

199. In practice, as Bedjaoui has shown,113 the 1950s and 1960s were primarily devoted to asserting the political rather than the economic component of the right to self-determination in the context of decolonization. Nevertheless, the steady evolution of the concept of permanent sovereignty over natural resources, the origins of which are firmly rooted in human rights instruments,114 ensured continuing progress in the quest for economic self-determination during the 1960s. Thus, in general terms, the progressive development of the human rights concept of self-determination laid the essential foundations upon which the demands for a new international economic order were to be built in the early 1970s.

B. Review of the main elements of the programme for the new international economic order

1. TERMINOLOGY

200. Use of the definite article "the", rather than the indefinite article "a", to describe the programme for the new international economic order has, on occasion, provoked controversy. The difficulty would appear to derive mainly from concern that use of the word "the" implies a fixed and unalterable set of specific demands, despite the fact that there is strong disagreement on the part of certain States with some of the demands. In practice, the programme for the new international economic order consists primarily of a number of relevant United Nations resolutions, supplemented by a variety of other sources such as international conference declarations and programmes of action. While there is a definite central core programme, this should not be viewed as a static, unchanging list of elements which make up the programme for the new international economic order. Thus the difficulty referred to above would seem to be more apparent than real since the concept of the new international economic order is clearly a dynamic one which is continually being built up, on the basis of the principal foundations laid by the General Assembly at its sixth and seventh special sessions.

201. The central core instruments relevant to the new international economic order have been listed above (see paragraph 170). In addition to these instruments, it is of particular importance in the present context to take account of a range of instruments relating to social development and other instruments adopted by the United Nations and various specialized agencies which have been directly linked to the basic texts of the new international economic order.

2. ESSENTIAL FEATURES OF THE NEW INTERNATIONAL ECONOMIC ORDER

202. During the relevant debates in the Sub-Commission on Prevention of Discrimination and Protection of Minorities, several members pointed to the importance of including in the present study an outline of the essential features of the new international economic order. Before presenting such an outline it is relevant to note that a variety of such analyses have been made elsewhere. In particular, reference may be made to documents prepared by UNCTAD,115 UNITAR116 and the Director-General for Development and International Economic Co-operation.117 In chapter XI, the content of the three international development strategies, including that which was adopted by the General Assembly in 1980, is examined. It is thus sufficient in the present chapter to give an indication of the main areas covered in the principal instruments relating to the new international economic order.

203. In particular, the Declaration on the Establishment of a New International Economic Order118 sets out the basic principles on which the new order might be progressively established. It is directed towards redressing the imbalances in the relations of developing and developed countries and to promoting the accelerated development of developing countries on the basis of collective self-reliance. Accordingly, the principles set forth in the Declaration for conduct of international economic relations cover a number of key areas in which fundamental imbalances exist, including the following: (a) effective control over natural resources; (b) regulation of the activities of transnational corporations; (c) just and equitable prices for primary commodity and other exports of developing countries; (d) reforms in the realm of money and development finance; (e) access to markets for products of developing countries; and (f) strengthening the science and technology capacity of developing countries.119 In addition, the Declaration called for closer co-operation among developing countries, including the establishment of producers' associations. It also called for ending the waste of natural resources and for the concentration by developing countries of all their resources on development. The Declaration stressed the need for the full and effective participation, on an equal basis, of all countries in the solving of world economic problems in

112 General Assembly resolution 1514 (XV) of 14 December 1960.
115 See, for example, Restructuring the International Economic Framework (United Nations publication, Sales No. E.79.II.D.12); and Trade and Development Report, 1981 (United Nations publication, Sales No. E.81.II.D.9).
117 Towards the New International Economic Order: Analytical Report ..., (United Nations publication, Sales No. E.82.II.A.7).
118 General Assembly resolution 3301 (S-VI) of 1 May 1978.
119 Towards the New International Economic Order: Analytical Report ..., (United Nations publication, Sales No. E.82.II.A.7), para. 15.
the common interest of all countries, and for a strengthening of the role of the United Nations.

C. Analysis of the human rights-related content of some major instruments relating to the new international economic order.

204. In order to analyse the extent to which human rights concerns are reflected in the various instruments relating to the new international order, it is proposed to analyse a limited number of such instruments and on that basis to seek to make some observations of general relevance. In the following survey the focus is on two of the major instruments, adopted by the General Assembly in 1974, and on declarations of principle and programmes of action adopted by certain international conferences in recent years.

1. Declaration on the Establishment of a New International Economic Order

205. Among the objectives listed in the preamble to the Declaration on the Establishment of a New International Economic Order are the achievement of "steadily accelerating economic and social development and peace and justice ...". The first three paragraphs of the Declaration are of an essentially descriptive nature; reference is made in paragraph 1 to the fact that "the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, apartheid and neo-colonialism in all its forms continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved". Similarly, paragraph 4, which lists the principles upon which the new order should be founded, refers, inter alia, to "self-determination of all peoples", "full permanent sovereignty of every State over its natural resources", and "the extending of assistance to developing countries, peoples and territories which are under colonial and alien domination, foreign occupation, racial discrimination or apartheid". The term "human rights" does not actually appear in the Declaration, nor is reference made specifically to questions such as equity and social justice at the national level.

2. Charter of Economic Rights and Duties of States

206. When the preparation of a charter on economic rights and duties of States was first proposed, in 1972, it was said that it should be a counterpart in the economic field to the Universal Declaration of Human Rights and the International Covenants on Human Rights. The link with human rights was clearly recognized by the United Nations Conference on Trade and Development in the preamble to its resolution 45 (11) of 18 May 1972, in which it recalled that the Universal Declaration and the Covenants "make the full exercise of those rights dependent on the existence of a just international order and respect for the principle of self-determination of peoples and of the free disposition of their wealth and natural resources".

207. Chapter I of the Charter lists, as one of 15 principles by which economic as well as political and other relations among States are to be governed, the principle of "Respect for human rights and fundamental freedoms". Other principles of particular relevance in the present context include "Equal rights and self-determination of peoples" and "Promotion of international social justice". Several articles of chapter II of the Charter are also of special note, including: article 2, relating to permanent sovereignty; article 7, which provides inter alia that "each State has the right and the responsibility to choose its means and goals of development, fully to mobilize and use its resources, to implement progressive economic and social reforms and to ensure the full participation of its people in the process and benefits of development"; article 9, which refers to co-operation for the promotion of economic and social progress throughout the world; and article 14, which provides that every State "has the duty to co-operate in promoting a steady and increasing expansion and liberalization of world trade and an improvement in the welfare and living standards of all peoples ...". In terms of explicit recognition of the essential link between human rights and the new international economic order, article 7 of the Charter is of particular importance since it is the only article in chapter II which does not address itself primarily to the rights and duties of States vis-à-vis other States or the international community as a whole. It thus acknowledges that the right of States to a just and equitable international order is related to the promotion of equity and social justice at the national level.

3. Instruments adopted by international conferences

208. In the past 15 years a succession of international conferences convened by the United Nations has focused on a wide range of specific subjects, including human rights (Teheran, 1968); the human environment (Stockholm, 1972); population (Bucharest, 1974); food (Rome, 1974); industrial development (Lima, 1975); the advancement of women (Mexico City, 1975, and Copenhagen, 1980); human settlements (Vancouver, 1976); racism (Geneva, 1978); primary health care (Alma Ata, 1978); agrarian reform and rural development (Rome, 1979); and the least developed countries (Paris, 1981). The results of each of these conferences have, to different degrees, contributed to shaping the new international economic order. In the present section it must suffice to take note only of some of the links between the human rights components of the various declarations of principle, programmes of action and resolutions adopted by such conferences and the components related to the new international economic order.
of issues related to the new international economic order and each has, at the same time, paid significant attention to human rights-related issues. Thus for example, the World Conference on the United Nations Decade for Women, held in 1980, adopted resolutions directly related to the human rights of women in general as well as of women refugees, displaced women, women under apartheid, disappeared persons and many other groups. In its resolution 47, entitled "Implementation of the goals of the United Nations Decade for Women within the framework of the United Nations efforts to achieve the new international economic order" the Conference recognized "the need to accelerate the overall development of developing countries ... in order to adequately satisfy the nutrition, health and educational needs of all women and men on an equal basis" and urged all Governments to take appropriate action so as to restructure the world economy and eliminate the economic causes that threaten world peace in order to facilitate the achievement of the objectives of the United Nations Decade for Women. The rationale behind this and related resolutions was clearly expressed in the Programme of Action adopted by the Conference, in which it was stated: The issue of inequality as it affects the vast majority of women of the world is closely related to the problem of underdevelopment which exists mainly as a result of unjust international economic relations.

212. Similarly, the report of the Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Caracas in 1980, stressed that efforts to minimize crime and promote criminal justice could contribute significantly to securing the objectives of the new international economic order. The corollary of this proposition, that improved international economic relations could help to reduce crime, was given equal emphasis.

213. The link between human rights and the new international economic order is also underlined in the Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted in Paris in 1981. The Programme focuses primarily on the need for substantial international assistance to the least developed countries to help them to promote more rapid socio-economic development with a view to eliminating existing inadequate levels of living. The Programme thus links promotion of the objectives of the new international economic order with the more widespread enjoyment of economic and social human rights in the least developed countries. Moreover, the importance of issues relating to civil and political human rights is also acknowledged, since it is stated in the Programme that efforts must be expanded "in order to ensure broadly-
based participation in development, concurrent and consistent with the equitable distribution of the gains from socio-economic development”.


129 Ibid.

confirmed that the least developed countries “have primary responsibility for their over-all development, and the domestic policies they pursue will be of critical importance for the success of their development efforts.”
Chapter XI

THE INTEGRATION OF HUMAN RIGHTS INTO DEVELOPMENT STRATEGIES

A. The importance of integration

214. The need to integrate human rights standards and objectives more effectively into development plans has been a consistent theme of recent reflections in United Nations human rights forums. In a number of respects this debate has raised issues which have also been discussed at length in development forums on the topic "an integrated approach to development". Both of these debates are of major relevance in the context of the present study. If the new international economic order is to bring about a significant improvement in the extent to which the impoverished and oppressed peoples of the world are able to enjoy their human rights, it is important that that objective be fully integrated into development strategies at both the national and international levels.

215. The importance of achieving a degree of integration was underlined in a report prepared in 1960 by the Committee on Programme Appraisals, which warned that:

One of the greatest dangers in development policy lies in the tendency to give to the more material aspects of growth an overriding and disproportionate emphasis. The end may be forgotten in preoccupation with the means. Human rights may be submerged, and human beings seen only as instruments of production rather than as free entities for whose welfare and cultural advance the increased production is intended. The recognition of this issue has a profound bearing upon the formulation of the objectives of economic development and the methods employed in attaining them. Even where there is recognition of the fact that the end of all economic development is a social objective, i.e., the growth and well-being of the individual in larger freedom, methods of development may be used which are a denial of basic human rights.[13]

216. The Commission on Human Rights, in its resolution 7 (XXXVI) of 21 February 1980, specifically invited the Preparatory Committee for the New International Development Strategy "to pay due attention to the integration of human rights in the development process". In a similar vein, the 1980 United Nations seminar "on the effects of the existing unjust international economic order on the economies of the developing countries and the obstacle that this represents for the implementation of human rights and fundamental freedoms" recommended to the General Assembly that the following sentence be included in the Strategy:

The new international development strategy is a part of the efforts of the international community to establish the new international economic order and to promote the complete realization of the right to development and all human rights and fundamental freedoms for all.[14]

A similar recommendation had been suggested by the Secretary-General in his report on the international dimensions of the right to development.[15] This approach was further developed by the 1981 United Nations seminar "on the relations that exist between human rights, peace and development", which recommended that the United Nations, "when dealing with development, should give the human rights aspect greater attention, particularly during the periodic assessments of the results of the Third Development Decade...".[16]

B. The difficulty of implementing an integrated approach

217. In his opening address to the 1980 United Nations seminar, the Director of the Division of Human Rights noted that while the theory of an integrated approach to development was relatively straightforward, the interdisciplinary approach required was difficult to achieve in practice. He stated:

It is not easy for the lawyers among us to turn their attention from the more traditional areas of international law to consider the impact of economic issues on their endeavours. It is equally difficult for economists to concern themselves with the broad implications of their work in terms of human rights. Yet that is the challenge that we are confronting at this seminar.

It is a challenge of the utmost importance, for unless we can effectively bridge the gap between the realms of human rights and economics we risk the pursuit, on the one hand, of an international economic order which neglects the fundamental human development objective of our endeavours, and on the other hand, of a shallow approach to human rights which neglects the deeper, structural causes of injustice, of which gross violations of human rights are often only the symptoms.[17]

218. The concept of a unified or integrated approach to development policy and practice emerged in the United Nations in the late 1960s and was strongly reflected in the report of Manouchehr Ganji, Special Rapporteur of the Commission on Human Rights, entitled The Realization of Economic, Social and Cultural Rights: Problems, Policies, Progress.[18] In its work in 1972 the Expert Group Meeting on a Unified Approach to Development Analysis and Planning recognized three major elements which characterize a "unified approach":

(1) A concept of the development process as aimed at achieving the supreme goals of equity and justice and involving mass participation and an interrelated system of societal change;

[15] ST/HR/SER.A/8, annex II.
[16] United Nations publication, Sales No. E.75.XIV.2. See especially part six, chap. II.B.1, paras. 55-75.
219. It has been said, however, that in many respects the efforts to identify some specific practical implications of a unified approach were inconclusive. The Economic and Social Council decided, by its resolution 1979/45 to establish and ad hoc working group on the social aspects of the development activities of the United Nations. In its report the Group recognized that "under existing circumstances the [United Nations] system did not favour the fullest and most effective incorporation of social inputs into development strategies." The Group considered that a fresh approach was required and recommended that the social component of development should be afforded due recognition and not be considered as an appendix to economic issues. It also stressed the importance of social development for the enjoyment of human rights and the need for every individual and nation to enjoy human rights as essential pre-conditions for social progress.

220. While the Group provided no precise definition of "social development," it can be assumed that there is a significant degree of overlap between that term and the concept of human rights. It is thus of particular significance in the present context that the Group recommended that United Nations activities in the social field should be directed towards further elaborating the social implications of the Declaration on Social Progress and Development and the Declaration and the Programme of Action on the Establishment of the New International Economic Order. C. The International Development Strategy for the Third United Nations Development Decade

221. In the preamble and in the general statement of goals and objectives which appear at the beginning of the International Development Strategy for the Third United Nations Development Decade, considerable attention is given to human rights-related goals. Thus, for example, it is stated that the development process must promote human dignity, and that the ultimate aim of development is the constant improvement of the well-being of the entire population on the basis of its full participation in the process of development and a fair distribution of the benefits therefrom. In addition, the importance of a unified approach is reiterated, a variety of general social sectoral goals are reaffirmed, and emphasis is attached to the need for full and effective participation by the entire population at all stages of the development process. In section III of the Strategy, dealing with policy measures, the final part is devoted to "social development" issues. The remainder of section III, which constitutes the bulk of the Strategy, is concerned with specific goals related to the new international economic order.

222. It can thus be seen that the Strategy deals both with the new international economic order and with human rights-related issues. This approach, however, gives rise to two questions, given the perspective of the present study. First, it may be noted that the term "human rights" is not used even once in the entire Strategy. It could be argued that this omission is only coincidental and, in any event, is unimportant since other terms are used to convey related ideas. On the other hand, the question arises whether the absence of the term "human rights" from the international development strategies for the first, the second and the third United Nations Development Decades could not be interpreted as indicating some reluctance by Member States to inject specific human rights issues into such areas.

223. The second question is whether calls for the integration of human rights with the objectives of the new international economic order in the context of development strategies are adequately answered by listing, side by side in the same instrument, a number of social development objectives on the one hand, and a number of more specific economic targets on the other. In some respects, the answer to this question depends on whether it is possible to devise a more truly integrated approach which emphasizes the essential interrelationship between human rights and the new order and does not in any way blur or obfuscate the economic goals which are stated. For example, the International Development Strategy for the Third United Nations Development Decade reaffirms that urgent action should be taken by all members of the international community to end without delay such problems as apartheid and racial discrimination. It does not, however, contain specific proposals designed directly to achieve these objectives. Such specifics are perhaps better dealt with elsewhere, but the problem remains of how to ensure that they are viewed as part of the overall effort to achieve a new international order, with social and humanitarian as well as economic objectives.

D. Integration at the national level

224. One important way of giving practical expression to the link between the programme for the new international economic order and the promotion of human rights could be to incorporate human rights-related objectives into development plans at the national level. However, studies which have been undertaken on the content of national development plans lead to two

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18 E/CN.5/490, para. 16.
21 Ibid., paras. 52-54.
22 Ibid., para. 56.
23 General Assembly resolution 35/56 of 5 December 1980, annex.
24 Ibid., para. 8.
25 Ibid., para. 42.
main observations in this respect. The first is that the term "human rights" is rarely, if ever, used in stating either the general purposes or the specific objectives of such plans. The second is more encouraging. There would seem to be a definite trend towards giving much greater emphasis in recent development plans to objectives related to the satisfaction of basic material human needs, while earlier plans tended to focus essentially on an increase in gross national product.

225. A study of goals and policies of developing countries for the second half of the 1970s, prepared for the United Nations Committee for Development Planning, concluded that there was increased emphasis on investment for such services as education, health and housing and that greater attention was being paid to distributional objectives in general.\(^{176}\) More recently, a study by the World Bank of national development plans indicated that basic needs and similar objectives figured prominently in national planning and policy-making.\(^{177}\)

226. While the so-called basic needs strategy has, for a variety of reasons, given rise to some reservations in certain multilateral development forums, an emphasis on the satisfaction of basic needs as one of a

\(^{176}\) "Planning for development: goals and policies of developing countries for the second half of the 1970s", *Journal of Development Planning*, No. 11 (United Nations publication, Sales No. E.77.II.A.14), pp. 169-175.


227. While the importance of efforts to ensure that economic and social progress are achieved in unison has long been recognized both within and outside the United Nations system, it is only in recent years that a concerted effort has been made to implement this goal in practice. At this stage much remains to be done in order to move beyond the theory and the rhetoric to a genuinely integrated approach. The challenge in part is to devise techniques and systems by which to ensure that equal attention is focused on the various dimensions of particular issues and by which to overcome the compartmentalization which so often characterizes academic, bureaucratic and diplomatic analyses. But there are no ready-made solutions. In the final reckoning the extent to which human rights concerns are integrated into development plans and practices will depend on the spirit in which Governments and other actors in the development process approach their task.

Chapter XII

DIALOGUE OR NEGOTIATION?

228. The North-South dialogue between the rich and the poor countries has not produced the concrete results expected of it. This is clearly stated in the 1980 report of the Brandt Commission:

The North-South dialogue is not only an essential task in itself; it is also a wider call for action. It can make global action more probable by demonstrating that countries and continents can overcome their differences and resolve the contradictions between their self-interest and their joint interests. Now that both North and South are increasingly aware of their interdependence, they need to revitalize the dialogue to achieve specific goals, in a spirit of partnership and mutual interest rather than of inequality and charity. The dialogue must aim to give every society a full opportunity to develop as it wishes and satisfy the essential needs of its people at an acceptable pace; and to create a dynamic world in which every country can achieve its own development, each respecting the other and respecting also the imperatives of a shared planet. 117

229. Since 1970, the world economy has experienced a series of grave crises and the effects have been felt more particularly in the least developed countries, which are generally more vulnerable to the fluctuations of the external economy. However, the developing world has gradually become an influential factor in all spheres of international activity. This evolution in the relationship of forces in the world necessitates a more active and equal participation of the developing countries in the formulation and application of decisions that concern the international community. Thus the political, economic and social well-being of present and future generations depends more than ever on cooperation between all the members of the international community, cooperation which must be embodied in the new international order to be established. 118

230. In this connection, Dumitru Ceausu has stated in the Sub-Commission on Prevention of Discrimination and Protection of Minorities that:

The new international economic order should be established with the participation of all States. It should be accepted without being imposed. The existing order was designed to maintain the majority of countries in a state of economic weakness and military powerlessness by excluding the developing countries from the decision-making process. The new order would therefore have to be established with the support of those who held economic and political power, through negotiation, dialogue and persuasion; otherwise, it would be brought about by a world crisis or, worse still, by a world war. 119

231. The concern of the United Nations with these topics is not new. Various United Nations organs and related bodies have for some time pointed to the interdependence of countries and the need for respect for and promotion of human rights and fundamental freedoms as an essential ingredient of international economic relations.

232. In a wide range of resolutions, the General Assembly has emphasized the importance of achieving greater equity in international economic relations, affirmed the major role of human rights in development and stressed the need to eliminate the differences existing between developed and developing countries and accelerate the economic and social development of poor countries. Some people, however, rightly wonder whether, in spite of such declarations, changes have not tended to produce the opposite of the intended objectives. If this proves to have been the case, the strategy followed hitherto would definitively need to be reconsidered. The efforts of the international community must be directed unwaveringly towards bringing the international economic order into line with a more just and equitable international legal order. There is no real dividing line between the international economic order, the international political order and the international social order. The three form part of a single order which embraces them all and which should be reflected in the international legal order.

233. It must be recognized that not much has been achieved through the existing international systems and machinery, and it is therefore essential for the international organizations to adopt a realistic approach to the requirements of the world today, starting with the United Nations, which must be given greater drive by its Member States. In other words, instead of the international organizations being by passed in the establishment of a new order, as some prefer, or seem to prefer, they must be used as tools for correcting the current unjust international relations which allow a few countries to become steadily richer while the vast majority of countries grow poorer and poorer. Making the international organizations more useful and more effective must be the urgent aim of international action.

234. The new international economic order must be established through action by States in the context of their relations with other States, so as to change existing links, which favour only a small minority. This must be the main and immediate task of global negotiations in the framework of the United Nations, which is the organization called upon to direct this task—the more so today, now that a representative of the third world has been elected to the highest office in the Organization.

235. Many believe that any proposal for establishing a new international economic order will inevitably lead to a confrontation between the industrialized countries and the developing world. But that is by no means the case, for some industrialized countries have understood the issues involved and shown readiness to seek a solution, realizing that the present unjust system must be changed.

236. At any rate, the failure of the North-South dialogue, in which such high hopes had been placed, is discouraging. Today it may be said in all truth that that dialogue has been silenced, despite all the efforts made to ensure its success and the expectations placed in it, as a serious attempt to reach understanding between the rich countries and the poor countries.

237. More recently, attempts have been made to stalemante the call for global negotiations on which all States seemed, in principle, to agree. What is worse, the preliminary discussions on the terms of reference and scope of these negotiations are robbing them of their essential diplomatic support.

238. These global negotiations, which, it is to be hoped, will be undertated within the framework of the United Nations precisely for the purpose of correcting the great disparities that exist, must be given renewed impetus by the third world countries so that in that forum—which is certainly the most appropriate one—steady and resolute progress may be made towards achieving the results demanded by the peripheral countries.

239. Accordingly, special mention should be made of the decision of the non-aligned countries, at their summit conference in New Delhi in March 1983, to propose the convening of a conference within the United Nations to launch global negotiations in early 1984 by taking up in the first phase those issues on the formulation and allocation of which agreement would have been reached. During this first phase, they proposed, parallel efforts should be made through a working group of the conference to expand the global negotiations to include in the second phase other issues, particularly those affecting the structure of the international economic system and institutions.\textsuperscript{173}

240. At the same conference the heads of State or Government of non-aligned countries expressed their firm conviction that global negotiations "remained the most important and comprehensive endeavour of the international community for the restructuring of international economic relations, the accelerated development of the economies of developing countries and for strengthening multilateral economic co-operation on the basis of mutual benefit."\textsuperscript{174}

241. For the purpose of these negotiations, attention should be paid to the concern expressed by Halima Warzazi in stating that one of the developing countries’ greatest weaknesses has been their lack of unity, which has often been exploited by the superpowers in international forums.\textsuperscript{175} This happened, for instance, at the sixth session of the United Nations Conference on Trade and Development, held in Belgrade in June 1983, where the lack of a unified approach by the countries members of the Group of 77 led to the adoption of a weak declaration, which does not even contain a recognition of the urgency of taking immediate steps to establish the new international economic order.

242. The developing countries must be prepared to resist the delaying tactic, frequently used, of arguing that political decisions cannot be adopted because the problem needs to be studied by the experts, but when it is submitted to the experts it turns out that the latter have no political power to take decisions. It is absolutely essential to go beyond the “dialogue” stage, which has led to nothing, and proceed to the stage of actual negotiations with a view to finding concrete solutions.

243. The example of the oil-producing countries, which, through their association (OPEC), were able to increase their prices, and even quadruple them, shows that sometimes the common bargaining power of producer countries is insufficient in itself to secure higher prices, but that it is necessary for them to bring the weight of their political pressure to bear. It is that which justifies the efforts being made to consolidate the non-aligned movement so as to be able to use it as a political instrument capable of making the negotiations effective and counteracting, inter alia, the threat to developing countries inherent in the prevailing system of economic relations.

244. The institutions established in the past few years are appropriate for establishing the proposed new order, in association, for instance, with the funds for financing the creation of stocks of raw materials and food products.

245. One thing is certain: the developing countries cannot depend solely on the United Nations system to study and outline their policy for negotiating a new international economic order. They must establish or apply their own policies for such purposes.

246. In Latin America, new although as yet insufficiently forceful efforts in this direction can already be detected in institutions such as the Latin American Economic System (SELA) and the Latin American Integration Association (LAIA) and, to a lesser extent, the Andean Group (Bolivia, Colombia, Ecuador, Peru and Venezuela).

247. The new international economic order and how to achieve it are highly controversial matters. Not all countries are convinced of the desirability of changing the existing international economic order, but even those countries most averse to change at least appreciate, like Henkin, that this order will soon be different.

248. Louis Henkin, who is not an enthusiast about the need for a new international economic order, nevertheless admits that by the end of the century we will have one that is substantially different:

I cannot foresee the outcome of dialogue and eventual negotiation, and, in fact, there is not likely to be an "outcome", only a series of continuing developments and changes over years and decades. One can say with some confidence, however, that although the developed world holds most of the cards today, the influence of numbers, of rhetoric, of ideas whose time have come—if slowly—will be strongly felt in the politics of economics, and the international economic order at the end of the century, if not new, will be substantially different from what we know today.\textsuperscript{176}

\textsuperscript{174} Ibid., para. 35.
\textsuperscript{175} E/CONF.4/Sub.2/1982/SR.20, para. 11.
249. However, it is certainly somewhat discouraging that at the summit meetings of the major developed countries held at Versailles in June 1982 and at Williamsburg in May 1983, those countries failed to grasp fully the immense significance of the demands of the developing countries; the same thing happened at the sixth session of the United Nations Conference on Trade and Development, held at Belgrade in June 1983. This attitude must change, for otherwise the former countries will themselves be largely responsible for the extremely serious consequences which this lack of understanding may have on a world careering towards an unprecedented crisis. Are we not perhaps already on the threshold of a world catastrophe which will have a profound impact on basic human rights?
Chapter XIII

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

250. In discussing the present situation regarding world economic relations, it is not entirely appropriate to speak of an international economic order, for it is not so much an "order" as a world-wide interaction of economic forces and powers resulting from historical causes that need to be understood.

251. The present economic order began to be imposed at a time when the vast majority of developing countries were still dependent territories and consequently unable to take part in its establishment; it was therefore inevitably inequitable and contrary to their interests. It is well known that international economic and monetary relations are based on three liberal principles, namely, freedom, equality and reciprocity. These principles could well suffice to bring prosperity for all, but in a world of equals, not in a world of unequals. In a world of "potentates" on one side and the "poor" on the other, it is not right to expect the poor to accept principles which profit the powerful alone and harm the weak; in such conditions, the relationship tends to give rise to exploitation, legal equality to produce material inequality, and reciprocal concessions to widen still further the already immense gap between the rich and the poor countries.

252. The present order is a serious obstacle to the realization of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, more particularly in article 25, which declares that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. However, the fact that an unjust international economic order exists cannot be used to justify failure to secure the realization or observance of human rights. In any event, there are two needs that have to be met side by side. One is the need to change the present international economic order into a more equitable order, and the other is the need to promote and protect human rights and fundamental freedoms in each and every country; they are interrelated needs, but neither of them is a prerequisite for the realization of the other.

253. A process of decolonization has given birth to innumerable independent States since the Second World War. Unfortunately, such political independence has not generally been followed by economic, social or cultural independence, which are equally important.

254. As Janez Stanovnik has pointed out, the demand for the new international economic order is of a political nature. The underprivileged peoples who are championing the new order have neither the military nor the economic power to match the dominant forces in the present world. Their strength lies rather in inevitable historical evolution and is therefore essentially on the political plane.

255. It must be recognized that it was at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September 1973, that the first ideas concerning a new international economic order were formulated. Conceptually, this new order represents the economic aspect of the policy of non-alignment, that is to say, the application of its general principles to the economic sphere. The above-mentioned Conference adopted an Economic Declaration and an Action Programme for Economic Co-operation, confirming that the new objective of the movement would be to seek to establish "a new type of international economic relations" and a new and just international division of labour. Both instruments benefited from the fact that all the non-aligned countries are also members of the Group of 77 and participate in the work of UNCTAD so that they have vast experience in such matters. Another important source of valuable ideas and concepts was the International Development Strategy for the Second United Nations Development Decade, adopted in 1970.

256. The existing system not only nullifies all efforts to narrow the gap between developing and developed countries, but, still worse, magnifies that difference by depriving the former of their rightful say in decisions on international economic and commercial questions of vital interest to them. The gap between the levels of living of developed and developing countries continues to widen—from roughly 10:1 in the 1950s to 14:1 at the end of the 1970s.

257. The industrialized countries are trying to solve their unemployment and inflation problems at the expense of the poor countries. To attain the price stability that suits them, they are holding down the prices of primary commodities from the developing world. As a result of this drop in commodity prices compared with those of industrial products, developing countries, which are mainly exporters of primary products, are forced to export a growing volume of raw materials each year in order to acquire the industrial products needed for their development. This phenomenon has been dubbed the "external strangulation of development".

258. The Brandt Commission has made the dramatic point that in some low-income countries studies have shown as many as 40 per cent of pre-school children exhibiting clinical signs of malnutrition. No one can state the exact numbers in the world who suffer from hunger and malnutrition, but all estimates indicate that they amount to hundreds of millions: millions of persons who will die from lack of food or have their
physical development impaired. It is an intolerable situation. The food problem is extremely serious, but what is even worse is that it is continuing to grow more acute, to the extent that one third of mankind is now suffering from hunger.

259. To resolve the urgent food problem, the developing countries must put an end to the neglect into which agriculture has fallen; in the late 1950s and during the whole of the 1960s, their concern for industrial development led them to disregard the extremely important complementary role which rural development should play. This led to an abandonment of the countryside, the consequences of which we are suffering today.

260. World Bank projections indicate only modest growth for the developing countries’ exports in the next 10 years. But it will be simply impossible to maintain this growth if the protectionist barriers erected by the developed nations are maintained or continue to grow as they have done recently. The fact is that this trend towards protectionism and restrictive trade practices is gathering momentum in all the industrialized nations.

261. It is essential to establish an international trade organization—as was proposed when the World Bank and IMF were set up—which would carry out the functions both of GATT and of UNCTAD, assuming responsibility for sponsoring agreements, *inter alia*, on such vital issues as the commercial practices of transnational corporations, international investment, problems of double taxation, the transfer of technology and so on, and in its turn act as a forum (as does UNCTAD) for dialogue, debate and negotiations in trade matters.

262. Insufficient attention is paid to developing countries’ interests when establishing monetary and financial policies at the world level. The World Bank and IMF, which came into being as a result of the agreements adopted at the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, in 1944, were two corner-stones of the monetary system established after the Second World War, but they began to display serious limitations in the 1970s, and today these have developed into grave defects and failure to adapt to the needs of developing countries.

263. At present, the developing countries hold 38.5 per cent of the votes in the World Bank, in comparison with 42.5 per cent for the main industrialized countries and 19 per cent for the other industrialized countries. The fact that the participation of the developing countries is so limited has led to a proposal that votes should be divided equally between developed countries and developing countries. Similar pressure is being exerted in IMF, where the developing countries hold only 28 per cent of the votes.

264. It is essential to change the prevailing view that IMF is a “lender of last resort” and place greater emphasis on the advisability, as indicated by IMF itself, of encouraging countries to seek its assistance when a need first arises and not when the situation has already become critical.

265. The conditions imposed today by certain international organizations, such as IMF, when granting balance-of-payments assistance, oblige developing countries to impose specified domestic policies which have extremely dangerous consequences, such as growing rates of inflation and unemployment.

266. One way to iron out the blatant inequalities between developing and developed countries would be to implement the International Development Strategy for the Third United Nations Development Decade, which reiterates the objective proclaimed by the General Assembly, in paragraph 43 of its resolution 2626 (XXV) of 24 October 1970, that the developed countries should provide developing countries with a minimum net amount of 0.7 per cent of their GNP each year in the form of official development assistance.

267. At the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held in New Delhi in 1983, was pointed out that, despite the growing need on the part of developing countries for assistance on favourable terms, such assistance was in fact decreasing. The net expenditure of all members of DAC on official development assistance in fact amounted to only 0.35 per cent of their GNP in 1981, as compared with 0.51 per cent in 1960. After two decades, the figure attained is barely half the target figure set by the United Nations, namely, 0.7 per cent of the GNP of the developed countries.

268. Efforts in the field of science and technology are directed mainly at improving living standards in the developed countries, and when science and technology can be applied to the problems of the poor countries, the cost is sometimes virtually prohibitive. In addition, technology is rarely developed with the aim of meeting the needs of the developing countries, so that any technology transfer to those countries is mostly inadequate or, what is worse, obsolete.

269. The gap between the developed and the developing countries in the area of technology is much greater than the corresponding economic gap. While the developing countries have on average a per capita income 15 times lower than that of the developed countries, the application of modern scientific and technological knowledge in the developing countries is some 50 times less than in the developed countries. This explains the frequent references to the “technological gap”.

270. As pointed out in the report of the Director-General for Development and International Economic Co-operation, transnational corporations have acquired considerable market power vis-à-vis the Governments and enterprises of developing countries. This has been due in part to their command over resources of various kinds—finance, management, marketing networks and skills, technology and “know-how” generally, in part to their ability to combine and deploy such resources across the world, and in part to the fact that transnational corporations, particularly those enjoying monopolistic positions, have generally integrated their subsidiaries and affiliates into the company as a whole, rather than into the economy of the host countries. Transnational corporations have been able to take advantage of their strong bargaining positions in a variety of ways—on occasion by interfering in the political affairs of the host country—and the relationships between
transnational corporations and host countries have often involved patterns of growth and industrialization which have led to the inequitable distribution of the earnings from investment and associated activities and have limited the ability of developing countries to achieve self-reliant development.

271. The role of disarmament should also be emphasized. Let us imagine for a moment what it would mean if the huge resources devoted to military ends were used for civilian purposes. How much could be achieved and how many development programmes could be launched? It is moreover essential to bear in mind how difficult it is for the developing countries, in view of the world's arms-orientated structure, to pursue their own paths towards progress if at the same time they are confronted with threats of intervention and intimidation from outside. As the report of the Secretary-General on the international dimensions of the right to development concluded, disarmament is crucial to realization of the right to development, as it is to realization of the right to peace, the achievement of a new international economic order and the promotion of respect for all human rights.

272. It is highly alarming that world expenditures on arms in a single year are, on the one hand, equal to the income of half the world's population in the same year and, on the other hand, of a similar order to the total external debt of the developing countries.

273. The most serious world recession since 1930 is the worst moment for the international financial institutions to impose more stringent conditions on borrowers and cut back their operations with them. It is counterproductive for IMF and the World Bank to have taken such an attitude at precisely the time when the developing countries have to face high oil prices, low prices for their primary goods and high interest rates on existing debts, all this within the context of a general recession on world markets. Countries that are heavily in debt to the developed countries are precisely their best customers, and any serious reduction in lending will have repercussions in the developed countries in the form of reduced demand and fewer imports in the developing countries.

274. Although the external debt of some countries may be so great as to appear unmanageable, it must not be forgotten that if the international banking system suddenly stops lending, the developing countries will not be able to pay their existing debts either.

275. No analysis of the crisis centring round the growing indebtedness of the developing countries can disregard the profound consequences which the crisis may have, above all for the most indebted countries. These countries cannot be expected to confine themselves simply to paying their debts conscientiously, neglecting their internal problems or leaving aside their most important concern, namely, their own development. If these countries are subjected to constraint and pressure, the resulting social problems can come as no surprise.

276. The current situation with regard to the external debt of the developing countries is extremely serious, and it has now reached the point where whole countries are on the verge of collapse. Unless realistic and urgent measures are taken, the entire international financial system may also collapse. However, the problem has not yet been tackled, except through short-term measures which do not provide any genuine medium-term or long-term solution, and the danger of a widespread cessation of payments therefore remains.

277. The extremely high level of indebtedness of the developing countries makes it necessary to think in terms of global and realistic solutions. It might be useful to consider the advantages of a system whereby the developed countries would buy from private banks the loans granted to countries with payment difficulties. The loans would of course be bought at a rate lower than the nominal value, which would mean that the private banks would lose a certain amount but would recover a considerable part of the total loan. The acquiring Governments would then negotiate a long-term refinancing scheme with the debtor countries, reducing the annual payments to appropriate or bearable levels based on capacity to pay. The debt might perhaps be converted into negotiable instruments guaranteed in some way by the national treasuries or equivalent institutions in the developed countries.

278. The effect of this colossal indebtedness on human rights is now being seen. Third world countries are making considerable cuts in their development programmes, Governments have had virtually to halt all public works projects, and unemployment and underemployment are increasing uncontrollably.

279. All this is giving rise to a bad social atmosphere which affects the poorest classes and helps generate a dangerous climate of political insecurity. In the last two years, the construction of schools, hospitals and houses and the improvement of social security services, for example, have become almost a luxury for the developing countries.

280. It is extremely important to stress the indivisible and interdependent nature of all human rights, without giving priority to any category in particular. The main difficulty is not to settle on the priority but to establish a flexible relationship between civil and political rights and economic, social and cultural rights and take each country's level of socio-economic development fully into account; to do so, it must be appreciated that the implementation of economic, social and cultural rights depends largely on each State's level of development, while the implementation of civil and political rights depends exclusively on the political will of Governments.

281. The concept of human rights has evolved gradually. After the traditional classification into civil and political rights, or what could be termed "first generation" rights, came economic, social and cultural rights, which may be placed in the second generation, and only in recent times has the need been maintained to recognize the existence of the "rights of solidarity"—which include the right to development, to a healthy environment, to peace and to the common heritage of mankind, and other rights that make up what could be called the third generation in this evolution. These rights, however, have scarcely taken shape and to implement them will require a major effort along a difficult road ahead.
282. These three categories, or generations, of human rights are to some extent equivalent to the three fundamental principles of the French Revolution of 1789: liberty, equality and fraternity. The human rights which were first recognized, namely civil and political rights, are those based on the "freedom" of the person. Economic, social and cultural rights, which arise in the second stage, may be said to be based on the "equality" of human beings. The rights of solidarity, which represent a third stage, still in process of maturing, are those based on "fraternity" between men and between peoples.

283. Those who live in absolute poverty cannot even satisfy the minimum needs of a decent life: enough food, a minimum of clothing, living space, drinking water, satisfactory sanitary installations, elementary hygiene, basic schooling for children, etc. The hundreds of millions of people who live in these conditions are permanently denied most of the fundamental and inalienable human rights proclaimed in the Universal Declaration of Human Rights.

284. Justice and the search for greater equality should be the guiding principles for international action aimed at eliminating the growing disparities between some countries and others. It must be remembered that the very objective of a new international economic order does not relate solely to economic issues as such. Its aim is not only the reassessment of things and their more equitable distribution, but also the development of all men and of all aspects of man, in a global cultural process which embodies values and encompasses the national context, social relations, education and well-being, with the idea of also providing a basis for the development of the international community itself.

285. The existing unjust international economic order is a genuine obstacle to realization of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, in particular in Article 25, which states that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. More than 30 years after the adoption of the Universal Declaration of Human Rights, 850 million people, that is, approximately 40 per cent of the inhabitants of the developing countries, are still living in dire poverty.

286. It must therefore be emphasized that the central or basic element in its establishment must be man, whose essential dignity must be defined and protected; it must accordingly be understood that the ultimate goal of the new order is respect for human rights and fundamental freedoms.

287. Interdependence does not mean uniformity. Genuine development does not consist in drafting lifestyles from developed countries onto developing countries. It must be understood that interdependence presupposes relations between countries that are different. International co-operation should be aimed at remedying the lack or scarcity of economic resources, and the recipient States are under an obligation to participate in such co-operation. It is implicit in the right to development that States should agree to assist one another when external factors obstruct the effective implementation of human rights.

288. One method whereby human rights can be truly and effectively safeguarded internally is through fair participation in which the people can express their own will in a free and responsible manner, thus enabling all the members of the community to fulfill themselves and exercise conscious freedom of choice. Workers and their organizations should participate not only in the management of public, economic, social and cultural affairs as part of the democratization of the State, but also in the decision-making processes of economic, labour and social planning, in the determination of social development goals and in the creation of conditions for achieving those goals.

289. The principle of participation in developing countries with indigenous populations implies the equal recognition of those peoples' right to participate fully in the economic, political and social life of the States of which they form a part, as well as their right to maintain their traditions, customs, languages and other special characteristics, which are expressed in the right to be different. Alienation as an instrument of national and international policy leads to loss of identity for those against whom it is applied.

290. Any form of economic aggression, as committed by some developed States against developing States, is similarly unacceptable and must therefore be categorically rejected; such forms of aggression include the use of threats, commercial sanctions or any other form of blockade and measures of coercion or blackmail to the extent that they involve means of political pressure aimed at influencing sovereign decisions.

291. The new order must take into consideration two important sets of principles contained in the Charter of Economic Rights and Duties of States: (i) the sovereignty, territorial integrity and political independence of States, the sovereign equality of all States, the principles of non-aggression, non-interference and peaceful coexistence, equal rights and self-determination of peoples and the peaceful settlement of disputes; (ii) the right of the developing countries and of the peoples of territories under colonial and racial domination or foreign occupation to achieve their liberation and to regain effective control over their natural resources and economic activities.

292. The concept of "development" should not be interpreted solely in terms of economic and material well-being but in much broader terms covering the physical, moral, intellectual and cultural growth of human beings.

293. Development is a concept which ought to focus on the human element, on people, who must be both its agents and its beneficiaries, and it should be based on the individual definition which each society forms of it, founded on its own values and objectives.

294. It is essential today to incorporate the standards applicable to human rights and the corresponding goals into development plans. This is what is known as the "integrated approach to development". If the new international economic order is to produce a substantial improvement in the extent to which the impoverished and oppressed peoples of the world enjoy human rights, it is important for that goal to be fully incorporated in
development strategies, national as well as international.

B. Recommendations

295. It must be recognized that not much has been achieved through the existing international systems and machinery, and it is therefore essential for the international organizations to adopt a realistic approach to the requirements of the world today, starting with the United Nations, which must be given greater drive by its Member States. In other words, instead of the international organizations being bypassed in the establishment of a new order, as some prefer or seem to prefer, they must be used as tools for correcting the current unjust international relations which allow a few countries to become steadily richer while the vast majority of countries grow poorer and poorer. Today, a stronger and more vigorous United Nations system is needed, and one that is used more effectively.

296. The new international economic order must be established through action by States in the context of their relations with other States, so as to change existing links, which favour only a small minority of States. This must be the main and immediate task of global negotiations in the framework of the United Nations, which is the organization called upon to direct this task—the more so today, now that a representative of the third world has been elected to the highest office in the Organization.

297. The global nature of the structural crisis in international economic relations calls for global solutions also. The trend towards bilateralism may have harmful consequences. A new multilateralism is therefore needed, founded on co-ordinated policies in which all groups of countries would take part on an international basis.

298. Since the establishment of a new international economic order will require a concerted effort on the part of all States, it is essential that the States of Eastern Europe should play a more active and constructive role than has been the case to date. As Leon Zurawicki recently stated, the Eastern European countries should not only specify their own revised doctrine concerning the new international economic order and the related problems but should also indicate a forum where these ideas could be discussed.

299. It is certainly somewhat discouraging that at the summit meetings of the major developed countries held at Versailles in June 1982 and at Williamsburg in May 1983, those countries failed to grasp fully the immense significance of the demands of the developing countries; the same thing happened at the sixth session of the United Nations Conference on Trade and Development, held in Belgrade in June 1983. This attitude must change, for otherwise the former countries will themselves be largely responsible for the extremely serious consequences which this lack of understanding may have on a world careering towards an unprecedented crisis. Are we not perhaps already on the threshold of a world catastrophe which will have a profound impact on basic human rights?

300. On the basis of a survey of the major United Nations instruments relating to the establishment of the new international economic order, it is apparent that the importance of the link between respect for human rights and the establishment of an equitable international order has long been recognized—most notably perhaps in the Charter of the United Nations and in article 28 of the Universal Declaration of Human Rights. In many respects these instruments demonstrate that the programme for the new international economic order is conceptually founded upon the human rights notion of self-determination. It should also be acknowledged, however, that while these instruments contain many references to human rights-related objectives, they tend only very occasionally to use the exact term "human rights". Moreover, references to the relationship between human rights and the new international economic order have tended to go only in one direction—that is to say, while frequent reference is made to the contribution which the new international economic order could make to the realization of human rights, mention is rarely made of the converse position.

301. Another important issue which has frequently arisen in international forums, although usually not discussed explicitly, is whether the reaffirmation of the objectives of the new international economic order in essentially human rights-related contexts, and vice versa, serves primarily to assure integration of the two objectives, or rather to distract attention from whichever may be treated as the issue of major immediate concern. While such concern may sometimes be justified, it is nevertheless important to ensure that human rights concerns are related to the overall structural framework in which they arise and that they are acknowledged within the mainstream of international negotiations.

302. The establishment of a linkage or quid pro quo between respect for human rights and promotion of the new international economic order has on occasion been proposed by some scholars. The relevant United Nations instruments on the new international economic order, however, have not endorsed such an approach, although there would appear to be general support for the proposition that progress on both fronts should be sought simultaneously.

303. The major objective of the present study has been to demonstrate the fundamental links that exist between the achievement of full respect for human rights and the establishment of an equitable international economic order. These links are manifold and complex and it has not been possible either to examine every relevant issue or to go into great detail with respect to some of the more important issues.

304. The present study has been designed to lay the basic groundwork for the future examination of other specific issues. In this regard it has already borne fruit in the form of the study on the right to adequate food as a human right which the Sub-Commission on Prevention of Discrimination and Protection of Minorities proposed at its thirty-fifth session. Moreover in the course of the stimulating debates that have taken place in the
Sub-Commission in recent years, a number of other topics have been proposed for more detailed consideration. Some of them certainly merit separate studies, which could be undertaken in the future by the Sub-Commission.

305. One of the broad conclusions that emerges very clearly from the present study is that recent progress towards the adoption of specific elements of the package of demands formulated within the framework of the new international economic order has been painfully slow and in some respects non-existent. The very meagre results achieved at the sixth session of the United Nations Conference on Trade and Development have only served to highlight the critical impasse that has been reached. It is therefore imperative that the global negotiations on international economic cooperation for development, the launching of which continues to be stalled, should now be approached by all States concerned with a renewed sense both of commitment and of overriding urgency. The continued deferral of the global negotiations can only have an adverse impact on the prospects for the full realization of human rights, particularly in developing countries.

306. With respect to more specific issues, one of the most prominent recommendations that emerges from the present study concerns the impact on human rights of the policies and practices of the major international financial institutions, most notably the World Bank and IMF. The study has made clear the seriousness of the current world debt crisis and has emphasized the need to ensure the continuing, and indeed increased, availability of financial resources to facilitate the development efforts of all developing countries and particularly the least developed.

307. By the same token, it is clear that the assistance provided by the international financial institutions must be of such a nature that its impact on the enjoyment of human rights is positive. The precise implications of this requirement need, however, to be examined in greater detail. Thus, for example, the question of "conditionality" of assistance has been raised in the present study but its deeper ramifications have not been examined. Similarly, the relevance of political concerns in the decision-making of the international financial institutions needs to be examined frankly, as does the issue of equitable global participation in the management of the relevant institutions. If a new Bretton Woods-type conference is to be convened, as has been proposed, an examination of these and other human rights-related issues should be undertaken in advance.

308. Another issue which would appear to warrant future consideration by the Sub-Commission is the status of the goal, established and accepted well over a decade ago, that developed countries should provide developing countries with a minimum net amount of 0.7 per cent of their GNP each year in the form of official development assistance. At present the amount provided is less than half of that target, and it is clear that the ability of developing countries to ensure the full enjoyment of human rights of their entire populations has suffered accordingly. Many proposals have been made for the creation of mechanisms designed to ensure a regular, guaranteed transfer of resources to developing countries to support their development efforts. Very little progress has been made, however, with respect to an examination of the obligations and entitlements of States to official development assistance under present international law.

309. The importance of regional endeavours to promote economic co-operation, including, in particular, economic co-operation among developing countries, has also been noted in the present study. One potential means by which human rights concerns might perhaps be more fully taken into account in regional economic decision-making would be the appointment, perhaps within the framework of the United Nations regional commissions, of regional advisers on human rights, as proposed by the Assistant Secretary-General, Centre for Human Rights, Mr. Herndl, in his opening statement to the thirty-ninth session of the Commission on Human Rights, on 31 January 1983.

310. In concluding the present study, it must be emphasized that the basic challenge, which is to ensure that the establishment of the new international economic order and the promotion of respect for human rights go hand in hand, is never going to be resolved simply by focusing on one particular issue, such as development assistance, commodity prices or the role of transnational corporations. The challenge is in fact a far more pervasive one and requires constant vigilance to see that economic relations, at the international as much as at the national level, are approached in such a way as to ensure that the concepts of the dignity of every individual and of human solidarity are the guiding principles. In the establishment of a new international economic order, full respect for human rights must be seen both as an end in itself and as an essential means.
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