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STATEMENT BY H.E. SALIM AHMED SALIM
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SOLIDARITY IN THE 1990'S
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Mr. Chairman,
Honourable Prime Minister,
Ladies and Gentlemen,

Allow me first of all to thank Prime Minister Ingvar Carlsson for inviting me to share with you here some views on this important Symposium on North-South Co-operation. The initiative to relaunch these ideas is praiseworthy and it underlines Sweden's continued political commitment to the continuing dialogue aimed at strengthening North-South Co-operation as a basis for durable peace.

2. I need not belabour the record of Sweden in promoting North-South Co-operation. Your country has provided the leadership and example in the ongoing search for a durable framework for such a Co-operation.

3. Perhaps no single individual epitomizes more the Swedish commitment to the promotion of that co-operation, than Ernest Michaenek. In the years during which he headed SIDA he came to symbolize this country's dedication to the cause of international development. On the occasion of his 70th birthday I wish to join those who have congratulated him for his efforts. I wish him continued good health and involvement in development issues.

4. Mr. Chairman,

This Symposium is being held at a time when the world is at crucial political crossroads. We are going through a phase of near euphoria at the thawing of relations between the super powers. The series of bilateral agreements between the United States and the Soviet Union, in many fields testify to

the dawning of a new era of co-operation and the phasing away of the classical ideological confrontation. The motivation for this newly found realism on the part of these two great powers is as security-related as it is to the need to re-orient their respective national priorities. They have vested interests in a world dependent on lesser weapons and more on sound economic foundations.

5. I am confident that the newly found realism on the part of the great powers and their efforts at increased co-operation, will have positive effects to the overall process of maintaining International Peace and Security. But to endure and to have meaning to the greater part of humanity this rapprochement and gradual easing of ideological confrontation should be linked to the global peace efforts. It must mean greater commitment to remove obstacles to peace. It must mean commitment to embark on concerted efforts at resolution of regional conflicts, at mounting a united assault on global poverty, hunger and human misery - it must mean, an even greater resolve to fight for human dignity and against racism and other forms of injustice.

6. Mr. Chairman,

The timing and agenda of this Symposium is significant. Perhaps now, more than ever before, the greater economic disparity between the North and the South have brought into sharp focus the dangers it poses to the long term economic and political stability of the world. Needless to say, there have been numerous initiatives to bring about a more equitable and hence stabler international economic system. The Brandt Commission

and the measures it proposed, the Cancun Summit of 1981, as well as the ongoing work of the South Commission are all endeavours at ending the deadlock in North-South Dialogue. Evidently, the lack of progress is not as a result of lack of initiatives or willingness of the developing countries to negotiate. Yet we must persevere. We must continue to insist that even those who now seem to be far removed from the ravages of poverty stand to lose if the growing gap between the developed and developing countries is not checked. That is why this Symposium is important. It will facilitate the reinvigoration of the process of negotiations and expand on the contacts, so necessary in the elaboration of a framework for negotiations aimed at achieving a more just international economic order.

7. Mr. Chairman,

Much as many differences between the North and South continue to persist as it can be exemplified by the ever-widening resource, technological gap and standards of living, there are many areas in the realm of international relations where convergent State of economic imperatives are ripe for joint action. This holds true for international peace and security, environment or development related issues such as those which the majority of developing countries, and African countries in particular have been going through. I am pleased to note that these issues will be addressed during the course of this Symposium, in particular putting into sharper focus the ways and means to stimulate growth and development of developing countries in the context of North-South Dialogue. Above all, I hope that in the course of our deliberations due attention will be paid to the global nature of the problems. In addition, this Symposium would provide an opportunity to appreciate even more the chronic problems of poverty and under-development.

8. Past international development strategies did not pay appropriate attention to those fundamental factors which have contributed to continued under-development of developing countries. The fundamental question of asymmetrical relations that exist in the patterns of production and consumption among developing countries in general, and in African countries in particular is a case in point. In the case of African countries, for example, the majority of them produce what they do not consume and consume what they do not produce. Thus, major developmental imports and some consumer goods are produced outside the region while Africa's exports consist of raw material and commodities which the continent does not consume.

9. Another contributing factor has been the adverse international economic environment particularly during the 1980's when commodity prices fell sharply in contrast to the prices of capital goods and other necessary intermediate inputs and components which have kept increasing. Other external factors include the heavy external debt burden, protectionism of all forms, tariff and non-tariff barriers which continue to deny African exports access to markets in the North.

10. The unequal adjustment burdens and efforts that countries in the North and South face in relation to the current world economic trade and financial regime is another factor. While countries of the North for the last decade have basked in unprecedented high real rates of growth coupled with low inflation and a surge in the volume of trade and payments amongst them, developing countries of the South have suffered rapid contraction of their economies accompanied by high rates of inflation, lower export earnings and massive debt payments that have resulted

in huge net transfers of resources to the North.

11. The severe dislocation in the world trade and payments that have taken place in the last two decades calls for adjustments by all countries in order that we may truly create and establish an international framework for smooth and durable trade, payments and exchange regime. Adjustment is an ongoing process. It cannot be avoided. Indeed no country of the South is opposed to adjustment as such. But due to the nature and weak base of many economies of the South and the existing international relationship being one which causes those weak economies to be reactive to those of the North, adjustment has meant severe constrictions to economic activities in these countries. It has in turn caused chain reactions of negative consequences which can meaningfully be corrected and addressed within the framework of the North-South Dialogue.

12. It is imperative that all countries at every stage of development take steps to see that their internal and external resources available are used efficiently so that economic and social development policies are consistent with growth objectives, reduce distortions within their economies and promote competitiveness in their trade activities. However, with the unfavourable trade regime facing low technology producers of raw materials, it is evident that efforts aimed at efficient economic management will require the infusion of external resources to promote growth and a more just world.

13. The ongoing Multilateral Trade Negotiations, the Uruguay Round, conceived to avoid emergence of trade wars and bring about an orderly and more equitable international trade regime is

threatening to be a battleground between the big powerful trading blocs of North America, EEC and Japan with countries of the South playing a peripheral role and matters of linking trade and payments being completely ignored. This lack of North-South Dialogue perspective in this important fora which is staging world trade rule and regimes for the 21st century is a serious cause for worry. People and countries of goodwill should take urgent steps to inject into this Round pertinent demands of North-South Dialogue by deliberately providing preferential treatment to trade interests of the South.

14. The continued deterioration of the terms of trade is one of the most serious problems facing the South and in particular African countries. Many of these countries have seen the fruits of decades of development efforts wiped out by the sharp decline in the prices of their commodities. Hence the best form of assistance the North can provide in this area is to ensure a just and equitable remuneration for the exports from the South and to facilitate market access for their products.

15. At the same time, and as a pre-condition to greater availability of resources for development, developing countries are under tremendous pressure from a number of countries from the North to open their markets, reduce Government expenditure in the social and public sectors or even drastically depreciate their currencies. These are some of the tenets of the Structural Adjustment Programmes which a number of countries have accepted in spite of political and social costs they entail.

16. Most African countries are now committed to improving their domestic economic environment by implementing wide-ranging structural adjustment programmes which have been politically and socially painful. Regrettably as shown clearly in the Mid-Term Review of the UN Programme of Action for African Economic Recovery and Development, while many African countries embarked upon far-reaching programmes of reform, there was a simultaneous decrease in real resource flows to Africa.

17. It is further disappointing to note that many countries in Africa undertaking structural adjustment programme are experiencing unsatisfactory rates of economic growth. This has led to decreased living standards for the people. It is therefore important that, in designing adjustment programmes, provision should be made for special measures aimed at protecting the most vulnerable groups during the adjustment period namely: children, women, the aging and the urban and rural poor. The programmes must be flexible and adapted to the particular circumstances of the countries concerned and be modified in light of changes in economic and financial conditions.

18. According to a recent UNESCO/UNICEF study, per capita expenditure on education in Africa is not only the lowest in the world but it is also declining. The provision of health services across the continent has suffered as well. The United Nations Economic Commission for Africa expressed this concern in the following words:

Quote

"Thus, Africa may begin the next ⁱⁿ millenium with a greater proportion of its population being both innumerate illiterate and unskilled more than it did at the beginning of the past independence era in 1960's"

Unquote

19. Sustainable development should not merely seek to reduce deficits or eliminate price distortions, or for that matter, deal with fiscal and demand management aspects of the economy alone. It should ensure that it does not impose undue hardships on those who should, in the final analysis, benefit from it. Sustainable development and economic growth would only be justifiable if it can address critical areas of development such as health, nutrition, education, employment and investment in the productive sectors of the economy as well.

20. Mr Chairman,

At present, the majority of Africa's population is poor, ill-fed and technologically backward. Africa is grappling with aspects of economic survival, droughts and desertification. The success of structural adjustment programmes in Africa and elsewhere critically depends on the infusion of significant financial resources from all sources, internal and external, in order to support economic reforms. In addition African economies need to be freed from the excruciating debt burden so as to liberate resources for development.

21. Since 1980, the stock of Africa's external debt rose sharply and reached a staggering high of U.S. \$230 billion.

In absolute terms, Africa may seem to be the least debted of all developing regions. However, in terms of debt per capita and in relation to the continent's Gross Domestic (GDP) and level of development, Africa is the worst hit. The debt of U.S. \$230 billion amounts to 81.4 per cent of total regional GDP and accounts for 314.2 per cent of the continent's total exports of goods and services. For some countries such as the Gambia, Guinea-Bissau, Mozambique, Somalia and Sudan, this ratio exceeds 1000 per cent. These ratios cannot be sustained.

22. In December 1987, African Heads of State and Government met in an Extra-Ordinary Session in order to address Africa's debt crisis. After a careful examination of the critical economic situation in Africa and the seriousness of the continent's indebtedness, the Summit adopted a Common Position which, inter-alia, called for an international conference on Africa's debt. This was in the spirit of fostering a dialogue with Africa's creditors whereby countries of the North and the South together seek solutions to this problem.

23. The response to our call has not been positive so far, but Africa persists in the imperative of such a conference.

24. We are encouraged by those countries of the North which have taken measures to alleviate and/or partially write-off debt of some debt distressed countries. Nordic countries and Sweden in particular have been very responsive. I wish to take this opportunity to express Africa's gratitude to countries which have already decided to cancel Africa's debt.

I also wish to encourage those which are contemplanting to do so.

25. The issues of environment, inter-dependence, development for peace, justice and global governance will have to be tackled jointly within the North-South Co-operation. But in order to do so, we shall have to proceed in unison.

26. We should endeavour to have the same perceptions of the problems involved in order to allow for a convergence of ideas on the most appropriate prescriptions. Many times, we agree on the nature of problems but because of differences of perceptions as to the approach of solutions and the nature of policy instrument which are required at national, regional and multi-lateral levels, we have tended to apportion blames on each other when success has not been forthcoming.

27. North-South Dialogue shall require the recognition, more than ever before, of the need for economic inter-dependence of all nations. North-South Dialogue should seek to secure commitments to correct the existing distortions in the world economic system and particularly in the areas of money, finance, trade and technology.

28. Mr. Chairman,

Environmental issues constitute a major source of concern for the North and the South as well. However, it should be pointed out clearly that while droughts, floods, cyclones and seismic

disasters are common to all of us, causes of major environmental degradation in the North and the South are of a different nature and hence will require different strategies in containing the effects of environmental degradation.

29. For the North, environmental degradation is mainly attributable to industrial pollution and technological development. However, the North possesses technological capabilities and resources to enable them to mitigate the adverse effects of environmental disasters. This is not the case for developing countries where environmental degradation is directly linked to poverty. The problem of deforestation for instance is to a very large extent a result of lack of alternative sources of energy.

30. We share the view that we should work together in order to preserve our common environment, but we also believe that those who bear the most responsibility for the degradation of the environment should bear the most burden in the cleaning up.

The need to safeguard our environment was echoed by Heads of State and Government of the Organisation of African Unity at Summit level in July, 1988, when they condemned the practice of dumping industrial radio-active and toxic wastes on the African continent by some developed countries.

31. The Arch Summit of Seven industrialized countries in their Declaration of 16th July, 1989 recognized "the serious

threat of mankind as a result of the depletion of the stratospheric ozone layer and excessive emissions of carbon dioxide and other 'Green house gases'. We welcome their commitment to work toward the attainment and presentation of a healthy and balanced global environment, and in particular, the initiatives of the Leaders of Egypt, Senegal, Venezuela and India towards the launch of a New Round of regular consultations at Summit level between the North and the South on Global Economic and Environmental issues.

32. Mr Chairman,

This is a gathering of individuals who have for a long period been intimately associated with the debate on development and broader issues of North-South Co-operation. It is equally a gathering of people who have committed themselves to the ideals of fostering change in the prevailing international economic and political situations. For development is about people, and as such they must form the primary objective of the dialogue.

33. Whether tackling the environment, economic, political issues the role of the people is central. Technology has enabled man to harness the environment for the betterment of the quality of life. But these are threatened by the negative effects of the very technology which enabled man to conquer his surroundings. The problems which we now face do not readily lend themselves to individual national solutions. They are shared problems which must be tackled jointly. The spectre of the Chernobyl nuclear disaster and other environment hazards, the scourge of drugs and menace of international terrorism have awakened the world to the reality of the vulnerability of a fragmented world. Just

as we need to tackle the problems of global poverty jointly so shall we also need co-operation in dealing with these new and challenging problems.

34. Peace does not presuppose the absence of war or conflicts alone. It presupposes the existence of situations which guarantee the enjoyment of the basic rights and fundamental freedoms by all. These are cardinal to a stable and enduring peace. It follows therefore that as complement to the search for a more equitable economic system, corresponding efforts should be applied to the fight against injustices and other forms of human oppression. Joint international action should be mounted against those situations which constitute gross and massive violations of human rights. An integral element of this action, should be ^egrater commitment of the international community to launch an assault on institutionalized racism - Apartheid. Apartheid does not only totally negate the basic tenets of human morality, it constitutes a serious obstacle to development. It locks out the majority African population from participating in the development process of their country on account of the colour of their skin. It also forces its external victims namely: the Frontline and the neighbouring African countries to spend their meagre resources on self-defence thus further adversely affecting their developmental efforts.

35. Mr. Chairman,

There are many non-economic impediments to development which I am sure this Symposium will find time to consider. But

the fundamental issue and direction of our deliberations must be to think together about the common problems facing our world today, and the framework within which coordinated actions can be undertaken. We may not come up with all the answers now. But we will have reinvigorated and kept alive the inescapable dialogue on North-South Co-operation.

I look forward to being with you and being part of this process.

I thank you.