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STATEMENT BY PRESIDENT OF GENERAL ASSEMBLY TO THIRD UNIDO GENERAL CONFERENCE

Following is the text of a statement by the President of the thirty-fourth session of the General Assembly, Salim Ahmed Salim (United Republic of Tanzania), to the Third General Conference of the United Nations Industrial Development Organization (UNIDO) being held in New Delhi, India, from 21 January to 8 February:

I wish at the very outset to express my highest appreciation and gratitude to the Government and people of India for the warm reception and generous hospitality accorded to us all. I would also like to express my sincere gratitude to the Director-General of the United Nations Industrial Development Organization for having invited me, in my capacity as President of the thirty-fourth session of the United Nations General Assembly, to be present at this Third General Conference of UNIDO. I feel greatly honoured by this invitation.

The holding of this important Conference in New Delhi represents a singular tribute to the Government and people of India for the consistent leadership they have provided in the attainment of the objectives of the Charter and of other equally important decisions of the world community in the field of which we are actively seized at this Conference. India's own efforts in the field of industrialization and in bringing about a breakthrough in the vicious circle of underdevelopment with its concomitant evils, as well as India's all encompassing endeavours in support of the peoples of the developing world in their struggle for the cause of human dignity, are a matter of record. We are all familiar with the crucial role being played by this country in this regard within the framework of the United Nations, within the non-aligned movement, of which India is a founding and leading member, and through bilateral and regional arrangements.

The holding of this Conference in the capital of India, therefore, is an irrefutable manifestation of our collective recognition and appreciation of this vital role played by India. I am convinced that this Conference will prove yet another important milestone in the efforts of the world community to promote the economic and social advancement of all peoples.

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This Conference is being held at a crucial time in world history -- a time when the international community is engaged in the process of restructuring world relations in order to ensure the optimum utilization of the economic potential of the developed and the developing countries in an equitable manner. The attainment of that objective will undoubtedly entail far-reaching changes in the structure of world production aimed at expanding and diversifying the production potential and capabilities, particularly those of the developing countries.

In view therefore of the important and essential role which industrialization plays in world production, the holding of this Conference at this juncture is of a particular significance within the general context of the establishment of the new international economic order. We should, accordingly, see this Conference in terms of the common endeavour of all nations towards taking further essential steps in the creation of a dynamic and equitable world economy so vital and fundamental to the achievement of freedom, prosperity and security for all the peoples of the world.

At this Conference you will be examining in great detail the past record and the present and future status of industrial development, including, in particular, those of the developing countries. The Second General Conference of UNIDO, held at Lima in 1975, laid the imperatives for facilitating the speedy industrialization of the developing countries by proclaiming what has come to be known as the Lima Target. Since then, Member States as well as the Secretariat have had the time to focus their attention and elaborate on ways and means of attaining the Lima Target and, in particular, working out the institutional framework to which this Conference will address itself. Indeed, the successful conclusion of the negotiations on the conversion of this organization into a specialized agency and the adoption of a new constitution represent an important follow-up action of the related recommendations of the Second General Conference.

As clearly reflected in the excellent documentation prepared by the Secretariat, however, the inequitable, and indeed undesirable, distribution of industrial output and productive capacity between the developed and the developing countries continues unabated. The statistical data show that during 1977 the aggregate industrial output of all the developing countries, which constitute 70 per cent of the world population, accounted for only 9 per cent of the total manufacturing output of the world. This gross imbalance is also discernible in the fields of technological know-how, energy use and financial power. It is this asymmetry, I need hardly add in this forum, that is at the heart of the many economic and political difficulties in the relations between the developed and the developing countries.

In the documentation before us it is also pointed out that among the developing countries, the industrial growth of a few countries has been rapid at the intermediate levels of per capita income between \$521 and \$1,075. For the low income countries where the majority of the poor live, progress has been pitifully scant and slow. Indeed, only ten developing countries have accounted for over 70 per cent of the growth in third world manufactures since 1966. This fact suggests that the asymmetry in industrial production and

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capacity is replicated within the developing countries themselves, possibly as a consequence of the existing structures of industrialization. But most importantly, it suggests that because of their special economic problems, the current structures make it even more difficult for the countries with the lowest levels of per capita income to embark on and implement industrial development programmes.

Further, the composition of industrial output in the majority of the developing countries is conspicuous in its meagre share of capital goods -- the only embodied source of technological diffusion and industrial diversification. This lack of capital goods industries in the developing countries not only contributes to a "dependent" industrialization, which is incapable of generating self-reliant and self-sustaining growth, but it is also a major cause of "inappropriate" industrialization.

Industrialization is basically the transformation of natural resources into useful consumer and investment goods. Such transformation is of necessity accompanied by the use of energy in one form or another. Industrialization can be properly understood in the context of satisfying consumption and related investment demand. It cannot be considered in isolation from the problems of life-styles and appropriate technology, as the issues of industrialization and appropriate technology are closely interrelated.

Appropriate industrialization is one that provides an economy with an organic link between the pattern and structure of domestic demand, particularly that of consumption, on the one hand, and the pattern and structure of domestic production, on the other. This can only be achieved through the application of appropriate technologies whose products and production methods are consonant with the needs, incomes and local tastes; they must also be better suited to the skills, management and industrial organization of a specific community. Such technologies take different forms: they may use more of local resources, may conserve scarce ones or may save on imports whether of materials, capital or skills. They may also be used to design plants with easily manageable scales of operation in a broadly dispersed population.

Very often, however, we have tended to confine the question of appropriate industrialization and appropriate technology as being applicable only to the developing countries -- perhaps rightly so, as it is the developing countries whose needs for appropriate technology are much higher. None the less, current events clearly demonstrate the pressing need all the more for the industrialized countries to ensure utilization of appropriate technologies: those which conserve energy and non-renewable resources; those which avoid rapid job displacement; and those which do not damage the ecology. The adjustment and deployment policies that are required call for joint co-operation. Indeed, the finiteness and non-renewability of some natural resources, such as oil, raises a fundamental question, especially as the industrialized countries consume sixteen times as much raw materials as

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developing countries. It is obvious that the pace of economic expansion and the pattern of consumption which have characterized only one fifth of humanity during the last century cannot be allowed to continue.

In sum, it is within the context of these closely interlinked tripartite issues -- namely, the asymmetry in industrial production and capacity between the developed and developing countries; the meagre industrial capacity of the low income countries where the majority of the poor live; and the ever-dependent and inappropriate pattern of third world industrialization, together with the question of appropriate technologies -- that the institutional framework required to attain the Lima Target should be considered. As this Conference will be examining in detail the related institutional proposals, I would like only to touch on some aspects of the philosophy underlying these proposals: first, industrialization for what and for whom; and second, the relevance of industrialization in the new international economic order.

Industrialization measures aimed at the attainment of the Lima Target must first and foremost be people oriented. These measures must be directed at providing for the basic needs of the peoples concerned on a sustainable basis. On the supply side, they must aim at producing the necessary inputs to sustain the level of required consumption. They must aim not only at increasing efficiency in the production process, but also at improving the faculties of labour. The Lima Target therefore must be seen as projecting a vector of goods and services in the developing countries that will be able to sustain the basic needs of their people. On the demand side, the techniques used must be such as to provide useful employment, and hence adequate income, to enable every able-bodied person to meet at least his most essential needs.

Such an industrial development strategy will have far-reaching implications which cannot be considered in isolation from the other major issues on the agenda for the establishment of the new international economic order. The strategy calls for the reduction and the eventual removal of the market asymmetries in commodities, technology, money and finance. Thus, we cannot talk about means for increasing the share of developing countries in world manufacturing output without also discussing the access of third world manufacturers to the markets of the developed countries. The strategy also calls for corresponding institutional reforms to ensure equitable management of these markets. These changes can only take place in an environment that reflects new power relations and, in particular, changes in the levels of world finance and exchange.

This Conference, therefore, represents an important process in the continuing negotiations on the establishment of the new international economic order. The successful outcome of the Conference will not only facilitate the implementation of the goals and objectives of the new international economic order, but will also have considerable relevance and impact on the negotiations which are taking place currently and on those which will take place elsewhere in the future. This Conference is of particular significance in the light of the resolution adopted by the United Nations General Assembly at its thirty-fourth session concerning global negotiations on international

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economic co-operation for development. Your deliberations will undoubtedly make a positive contribution to the preparation of the new international development strategy for the third United Nations development decade, which is expected to be adopted at the special session of the General Assembly on development to be held later this year.

The Conference has before it a series of valuable proposals contained in the documentation prepared by the Secretariat with respect to the institutional framework required to attain the Lima Target. These institutional mechanisms, which the Conference will no doubt consider in greater detail, are a means to the first necessary steps towards a new international economic order. Their scope must be viewed in the context of the Lima Target and in particular as embodying the projected vector of goods, services, jobs and income that will enable all peoples in the developing countries to have better standards of life in larger freedom. They must also be perceived in the context of, and as aiming at, promoting and strengthening co-operation among developing countries in the field of industrialization within the framework of their national and collective self-reliance.

Changing the present world order towards the direction of justice and equity cannot be accomplished at one single Conference. Changing the world order, however, is a process which can be, and should be, speeded up and directed. This objective can be realized by the adoption of the most effective measures possible and given the necessary political will and commitment of all members of the international community to implement such measures. The task of this Conference is, therefore, to give a clear direction to, and expedite the movement towards, the establishment of the new international economic order. I am convinced that we can successfully accomplish this task if we approach it not as bargainers -- individual national interests notwithstanding -- but as partners; not as rivals, but as men and women who recognize that their common welfare depends upon mutual trust and joint endeavour.

I wish you every success.

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