



HEALTH AND THE NEW INTERNATIONAL ECONOMIC ORDER

A DISCUSSION PAPER

CONTENTS

	<u>Page</u>
Introduction	2
Part I. A WHO outlook on the New International Economic Order	4
Part II. Health development	9
Part III. The contribution of health to the New International Economic Order	15
Annex 1. Text of United Nations General Assembly resolutions 3201 S-VI and 3202 S-VI	
Annex 2. The Declaration of Alma-Ata	
Annex 3. Drug policies and essential drugs: a case study	

INTRODUCTION

1. The Executive Board of WHO at its sixty second session decided that the subject for the Technical Discussions at the Thirty-third World Health Assembly to be held in May 1980 should be "The contribution of health to the New International Economic Order". This paper is a first step to provide the background for these discussions.

2. The New International Economic Order (NIEO) is a state of internationally just redress of the present imbalances between the developing and the affluent countries. This is to be achieved by means of a series of reforms aimed at improving the lot of the developing countries. Thus, measures are to be taken to increase greatly the share of these countries in world production. These measures include increasing substantially food and agricultural production in the developing countries, promoting industrialization within these countries, providing for additional employment within them, and ensuring access of their exports to international markets on a more stable basis and at fair prices through improving the terms of international trade. Additional measures include the strengthening of institutional and physical infrastructures in the developing countries, promoting the transfer of technology to them and the development of indigenous technology within them, and substantially increasing the flow of resources to them. The NIEO is framed in economic terms. However, there is an implicit social dimension, which is made explicit in the International Development Strategy, which is the international communities' prescription for advance towards the New International Economic Order.

3. Health is an output and an input in the development process, and is essential to a man-centred development, being the main and first ingredient of the quality of life.

4. This paper points to the interrelationships of health and the New International Economic Order, and poses some basic questions on how to raise the necessary political commitment at national and international level that is essential if progress is to be made, keeping in mind the

wider determinants of health in a society which go far beyond the traditional responsibilities of a ministry of health.

5. The aim is to increase the awareness and ability of all politicians, planners and other decision-makers in the planning process, both at national and international level, recognizing their prime importance for effective action so as to facilitate the social goal of health for all by the year 2000 which was set by the Thirty-first World Health Assembly.

6. The paper consists of three parts: Part I provides the background to the formulation of the New International Economic Order itself and the associated International Development Strategy; Part II deals with the health aspect of the issues involved; and Part III highlights the inter-relationships of the two, leading to some fundamental questions which, it is hoped, will stimulate discussion at the Regional Committee Meetings in Autumn 1979. A collation of the views thereon expressed will help amend this paper to serve purposes: as a base paper for the Technical Discussions at the Thirty-third World Health Assembly in May 1980; and as a WHO input to the Special Session of the General Assembly which will review progress towards the New International Economic Order, also in 1980.

PART I. A WHO OUTLOOK ON THE NEW INTERNATIONAL
ECONOMIC ORDER

7. As early as 1961, the United Nations General Assembly launched a United Nations Development Decade: a programme for international economic cooperation. This came directly after the achievement of independence for most of the developing countries in the late 1950s and early 1960s. By the mid-1960s it was clear to the majority of States, Members of the United Nations and other organizations and institutions of the United Nations system that the objectives set out under the programme of cooperation were not being attained. It also became clear that the existing international economic system and its related structures were organized along lines to benefit only a few countries, primarily those in the northern hemisphere.

8. To facilitate the dialogue between the developing countries and the industrialized countries, a new international body was established in 1964 to serve as a central forum for negotiations on essential trade issues. That body, the United Nations Conference on Trade and Development (UNCTAD), has over the years given rise to a large number of resolutions and recommendations aimed at providing more favourable terms of trade for developing countries. A joint declaration of developing countries was adopted at the first session of UNCTAD (1964) and the signatories of that declaration became known as the Group of 77.

9. In the light of the failure to realize most of the goals of the United Nations Development Decade, additional measures were taken toward economic and social development. One of these was the proclamation of the Declaration on Social Progress and Development made by the United Nations General Assembly in 1969. In 1970, the General Assembly launched a Second United Nations Development Decade and, at the same time, adopted an International Development Strategy for the Decade.

10. Whereas the First United Nations Development Decade was formulated in rather broad terms emphasizing self-sustaining growth of the economy of the individual nations and their social advancement, the Strategy for the Second Development

Decade was considerably more specific regarding the economic and social goals and objectives to be attained during the 1970s. The Declaration on Social Progress and Development, on the other hand, was devoted essentially to social development issues. The oil crises of 1973, however, helped to underscore the interdependence of the countries of the world with respect to at least certain natural resources. Also, as with the First Development Decade, it was becoming obvious that very slow progress was being achieved in implementing the measures foreseen in the Strategy for the Second Development Decade. So, in 1974 a special session of the United Nations General Assembly was convened on the subject of raw materials and development. Two major resolutions were adopted by that session: a Declaration on the Establishment of a New International Economic Order (3201 S-VI) and a Programme of Action on the Establishment of a New International Economic Order (3202 S-VI). The framework provided by these two resolutions (see Annex 1) offered the international community, for the first time, a comprehensive package of all the reforms that would have to be undertaken to change the existing economic order to a new international economic order.

11. It is apparent from the texts of resolutions 3201 S-VI and 3202 S-VI that the steps to be taken to redress the economic imbalances which persist between North and South are devoid of a social dimension except by implication. In other words, social development is taken for granted to the extent that should all the measures foreseen within the Programme of Action be taken, thus leading to more affluent societies in the developing countries, there will automatically be a higher quality of life. As such, it is assumed that international justice, to be realized through the establishment of the New International Economic Order, will lead to intranational justice, implying a more equitable distribution of national resources in all sectors, including social sectors such as health.

12. All development sectors are involved in the implementation of the New International Economic Order. This is not because of the hard-core economic issues involved, but because a new order implies newness in every aspect of the

development process, not the least of which is a new health order as part of the new social order. Since it would seem that the Programme of Action does not leave much space for the direct involvement of, for instance, health in its implementation, the architects of the Programme have provided opportunities for specialized agencies such as WHO to play an important role in the struggle for international justice by building bridges for that purpose. The first of these was the adoption of resolution 3362 S-VII by the Seventh Special Session of the United Nations General Assembly (September 1975). That resolution contains seven sections, of which number III, paragraph 9, states:

The World Health Organization and the competent organs of the United Nations system, in particular the United Nations Children's Fund, should intensify the international effort aimed at improving health conditions in developing countries by giving priority to prevention of disease and malnutrition and by providing primary health services to the communities, including maternal and child health and family welfare.

13. The most important development to date has been the decision of the United Nations General Assembly to formulate a new International Development Strategy. This does not run parallel to the implementation of the NIEO; rather, it is seen that it will occur within the framework of the NIEO, with a view to assisting in the attainment of the New International Economic Order itself. There are eight major objectives¹ to which the Strategy should address itself:

- bringing about, in the spirit of mutual benefit, far-reaching changes in the structure of world production, with a view to expand and diversify the production of, and provide for additional employment in, the developing countries;
- increasing substantially food and agriculture production in the developing countries and facilitating effectively the access of their agricultural exports to international markets on a stable and more predictable basis and at fair remunerative prices;
- developing institutional and physical infrastructures in the various development sectors in the developing countries;

¹ United Nations General Assembly resolution 33/193.

- promoting industrialization in the developing countries and, to that end, ensuring inter alia speedy and tangible progress towards the fulfilment of the target of increasing to the maximum possible extent and, as far as possible, the share of developing countries in total world industrial production to at least 25% by the year 2000;
- improving the terms of trade of developing countries; ensuring a substantial increase of their share in world exports, especially through the expansion and diversification of their production and trade; and extending to them special and preferential treatment, where feasible and appropriate, in the context of the general effort to liberalize world trade particularly in their favour, as steps towards promoting equity in trade relations between the developing and developed countries;
- increasing substantially the flow of resources in real terms to the developing countries on a predictable, continuous and increasingly assured basis;
- enhancing the responsiveness of the international monetary system to the needs and interest of the developing countries in the context of further reform of the system for the benefit of the international community;
- promoting the transfer of technology to developing countries by securing the removal to the fullest extent possible of obstacles to, and taking positive measures for, such transfer; as well as the development of indigenous capacity in the field of science and technology in these countries and formulation of national and international policies to avoid the reverse transfer of technology and the outflow of skilled personnel.

14. Two areas which seem to have a direct interest for the health sector are: (a) the development of institutional and physical infrastructure in the various development sectors in the developing countries; and (b) the promotion of the transfer of technology to developing countries, including, inter alia, the development of indigenous capacity in the field of science and technology.

15. In addition to the aforementioned objectives the Strategy should reflect the need for:²

² United Nations General Assembly resolution 33/93.

- adequate policies for the promotion of social development, to be defined by each country within the framework of its development plans and priorities and in accordance with its socioeconomic structure and stage of development, taking into account that the final aim of development must be the constant increase of the wellbeing of the entire population on the basis of its full participation in the process of development and a fair distribution of the benefits therefrom;
- full mobilization of national resources, both human and material, of developing countries;
- the mobilization and integration of women and youth in development;
- the protection of the environment and taking environmental considerations into account, in accordance with the development plans and priorities of developing countries.

16. The new International Development Strategy will be formulated by a Preparatory Committee open to all States, with the assistance of the United Nations and other international organizations and institutions of the United Nations system. In principle the Strategy will be approved and launched by the United Nations General Assembly at its thirty-fifth session in 1980.

17. This chapter would be incomplete without a critical distinction between the New International Economic Order and the new International Development Strategy. The NIEO is the long-term, ultimate answer as presently seen for achieving economic equity between countries in the southern hemisphere and those in the northern hemisphere. It does not ensure intranational justice in terms of meeting people's needs and aspirations, although it implies that greater wealth through a better deal is a prerequisite for meeting needs and aspirations at the national level. The assumption is made that the greater wealth to be acquired through the NIEO will be shared by all peoples and will not remain in the hands of only a few countries and individuals. The new International Development Strategy, on the other hand, is at present considered as a shorter-term (most likely a decade) reply by the international community by which it can forward international economic and international social development along the road which ends at the NIEO and thus in conformity with and interdependent world of peace, equality and justice.

PART II: HEALTH DEVELOPMENT

18. At present, four-fifths of the world's population, living mainly in rural areas and urban slums, have no access to any organized form of health care. Nearly one thousand million people suffer from a combination of long-standing malnutrition and parasitic diseases, which greatly reduces their work capacity and social development. The gap between the affluent and the developing countries is widening as far as investments in health are concerned. This gap is also apparent within countries, whatever their level of development. Moreover, in most countries health systems function outside the mainstream of social and economic development.

19. Analysis of trends in death rates over the past 150 years shows a direct relationship between an improvement in socioeconomic status and a reduction in death rates. The difference is particularly striking in the case of infant mortality rate, which in the countries with a per capita GNP of less than US\$ 520, covering over 70% of the population of the developing countries that do not export oil, averages more than six times the rate for the developed countries. Thus, the curve of infant mortality rises as income levels fall. The industrialized countries with an average per capita GNP of US\$ 5950, for instance, have an infant mortality rate of 15 per 1000 live births; in the developing world, the rate, starting at 25 per 1000 live births in the high-income countries, goes on rising (with falling incomes) to 35, 48, 88, and reaches 129 in the lowest income countries with a GNP of US\$ 151 per capita.

20. Maternal mortality rates reflect the same situation. While in countries with well-developed health care systems maternal mortality has been brought down to 0.5-3.0 per 10 000 births, there are still countries where the death rate among young mothers is as high as 177 per 10 000 births. At such levels maternal mortality becomes a leading cause of death among women. In areas with the highest rates - mostly in Africa and west, south and east Asia - about half a million women die from maternal causes every year, leaving behind at least a million motherless children.

21. Of the 122 million infants to be born in 1979, roughly 10% will die before reaching their first birthday, and another 4% before their fifth birthday. While the risk of dying before reaching adolescence is about 1 in 40 in developed countries, it is 1 in 4 in Africa as a whole, and even 1 in 2 in some countries. The probability of dying is at its peak at the time of birth, including the period immediately before birth. Perinatal mortality (death in the period between the 28th week of gestation and seventh day of life) is also closely associated with low birth weight, which is defined as a birth weight below 2500 g. For every fatal outcome, there are many episodes of disease and ill-health. Many common childhood diseases do not normally kill their victims, but may cause serious or chronic damage. Some of this is already apparent in childhood (as blindness or paralysis), while other damage will become manifest only in later life (as chronic heart disease or mental retardation). Malnutrition is numerically the most important condition affecting the health of children in all parts of the world, particularly in the developing countries. Some 100 million children under the age of five years are suffering from protein-calorie malnutrition, more than 10 million of them from the severe form which is normally fatal if untreated. Research in the 1970s has made it clear that events in early life affect the health of the adult, and many conditions can be prevented by early action.

22. The last decade has witnessed a serious rethinking of the basic principles and practice underlying health development. The pursuit of social justice and equity in health has been initiated with debates as to what is meant by "health for all", recognizing that each country ultimately has the responsibility not only for answering this question but also for seeing that the necessary health actions are undertaken for its achievement. In this process, many have come to realize that the indicators of good health are also indicators of development - a healthy people being recognized as the most essential cause and effect of development. Health development, as such, is now being seen as a viable strategy for development planners to pursue as part of their efforts to improve the quality of life of all the people.

23. The International Conference on Primary Health Care, meeting in Alma-Ata in September 1978, adopted the Declaration of Alma-Ata which recognizes primary health care (PHC) as the KEY to achieving the target of health for all (see sections VI and VII of the Declaration, reproduced in Annex 2).

24. The adoption of the strategy of health for all by the year 2000, with primary health care as its key, has evolved during the last five years. While, technically speaking, primary health care is not a "new" concept, its reappearance reflects three important aspects of the present situation: the growing acceptance that health services alone cannot bring health; the failure of existing health services systems to meet the priority needs of the people most urgently requiring care; and the growing concern with international and intranational inequities, as reflected by the great disparities in the measured health status of different population groups around the world.

25. The Declaration of Alma-Ata calls upon all governments to "formulate national policies, strategies and plans of action to launch and sustain primary health care as part of a comprehensive national health system and in coordination with other sectors". At the same time, the Executive Board of WHO has drawn up guiding principles and essential issues for formulating strategies for achieving health for all by the year 2000. These, in addition to the deliberations of Alma-Ata, form the basis for action to be undertaken at the national level. While the implications of such action may be very profound, they may not be realizable if corresponding international actions are not also undertaken simultaneously.

26. Some of the essential national and international implications are outlined below in the form of a "before" and "after" portrayal of the situation. Such a simple listing cannot do justice to the complex interrelationships that exist between each feature listed. Furthermore, such a portrayal tends to exaggerate the wide difference between the present reality (the left-hand column) and the desired future (the right-hand column). Nevertheless, few would argue with the statement that most countries, including the developed countries, are far from realizing the promise of

this "desired future", and, more importantly, that the global contradictions that exist, as exemplified under "international implications", pose a major obstacle for countries desiring to change their system to do so.

27. National implications

"Before"

Lack of serious national policies promoting improved quality of life of all citizenry.

Health systems designed with aim of increasing availability of professional skills, drugs, equipment, facilities, etc.

Concentration on provision of medical care (as evidenced by training/education curricula facility construction, operating budget and measures used to evaluate performance of system).

Ignorance of (:-ll-) health implications and consequences of developmental projects undertaken by different sectors.

"After"

Well-developed national policies linking improvement in different aspects of quality of life with overall socioeconomic development plan (Health for all by the year 2000 as central focus).

Health system designed to decrease dependency and increase individual family and community capacity for engaging in health development activities and improving quality of life.

Concentration on health-promoting activities, beginning with placing information and technologies in the hands of individuals, families and communities, and building up of multi-sectoral support at all levels for such activities.

Responsibility for promoting health accepted by all developmental sectors and appropriate mechanisms established to improve project design and implementation.

"Before"

Concentration of resource in urban centres and offering of services meeting specialized needs of few.

Use of health technologies which promote "commercialization" of health sector with heavy influence of extra-national interests.

Evaluation confined to measuring "inputs", i.e., availability of resources, associated costs, etc.

28. International implications

Multilateral/bilateral assistance in health, concentrating on capital intensive projects, e.g., building construction.

Overall assistance for health small in comparison with assistance provided to other sectors, and this latter assistance often promotive of poor health, especially of rural agricultural communities in the developing world.

No control over transnational food and drug companies gaining control over local national markets.

"After"

Equitable distribution of resources to social periphery, concentrating on priority needs of majority.

Identification and promotion of technologies appropriate for local development, use and control.

Evaluation concerned with impact on health status of individuals and communities, especially underserved, high-risk groups.

Assistance provided for health infrastructure development using technologies well suited for individual country situation, including promotion of local production of technologies.

All development assistance evaluated from point of view of impact on quality of life, especially of rural poor; measures taken to re-design projects accordingly.

Adoption of "code of ethics" for industry; monitoring of practices to uncover those with undesirable effects.

"Before"

National media dominated by international media which directly or indirectly promote health practices inappropriate to national needs.

Some food aid inconsistent with promotion of needed national nutrition policies and practices.

Belief that primary health care strategy of use only for Third World countries.

"After"

Adoption of "code of ethics" covering advertisements and feature stories related to health; generation of news material supportive of "health for all" strategy.

Redesign of food aid policies and practices in support of increased national self-reliance, e.g., greater use of foods and products that can be ingredients in national commercial supplementary foods.

Recognition that health systems of industrialized countries in great need of reorientation and that underlying philosophy of primary health care is equally applicable to these systems.

29. The above illustrates that health development requires mutually supportive national and international actions whose aims are to protect those in greatest need. It also illustrates that health development is a crucial aspect of "social development and the international development strategy" and could be used as the fundamental starting point by all sectors for such development - nationally and internationally. Many of the implications of this strategy are of direct relevance to the NIEO as explored in the next section.

PART III. HEALTH AND THE NEW INTERNATIONAL ECONOMIC ORDER

Economic growth or economic development

30. The purpose of the New International Economic Order (NIEO) is development. According to the International Development Strategy,

"... the ultimate objective of development must be to bring about sustained improvement in the well-being of the individual and bestow benefits on all. If undue privileges, extremes of wealth and social injustice persist, then development fails in its essential purpose. It is essential to bring about a more equitable distribution of income and wealth for promoting both social justice and efficiency of production, to raise substantially the level of employment, to achieve a greater degree of income security, to expand and improve facilities for education, health, nutrition, housing and social welfare, and to safeguard the environment. Thus, qualitative and structural changes in the society must go hand in hand with rapid economic growth, and existing disparities - regional, sectoral and social - should be substantially reduced. These objectives are both determining factors and end results of development; they should therefore be viewed as integrated parts of the same dynamic process and would require a unified approach."

In short, development implies continuing improvement in the living conditions and quality of life of people, including improvement in housing, the environment, food and health, all of which are fundamental to the quality of life.

31. When development is being advocated, its purpose must always be made explicit in human terms. Development cannot be equated with economic growth alone. Economic growth has to be regarded as one of the means for attaining the broader goal of socioeconomic development.

32. The NIEO is concerned mainly with economic matters that do not refer to its social purpose. The social issues are treated as separate entities. The main purpose of the NIEO is the promotion of economic growth without specifying how this will lead to social improvement. For example, if the NIEO deals with the transfer of resources to countries, it does not mention how these resources will ensure improvement in the living conditions and quality of life of the people of these countries, particularly the underprivileged. It is possible that a new national economic order in some countries is a prerequisite to the realization by them of the full

benefits of a new international economic order. The question therefore needs to be asked how best an increase in the transfer of resources and an improvement in opportunities for trade, as required by the NIEO, can ensure better development for the masses. The infant mortality rate is a useful indicator not only of health status, but also of socio-economic development in general. A marginal decline in this rate may be achieved by improving the lot of the elite but a substantial decline can only result from improving the lot of the total population. On the other hand, a rise in the GNP of a country may result from a very substantial improvement in the economic status of the elite of that country. Simply raising the GNP is not enough. There is a great difference between economic growth and economic development, and GNP is a poor index of the latter.

33. The NIEO implies a new way of organizing the international economic system through improved terms of trade between richer and poorer countries, more control by developing countries over the economic cycles that pass through them, and increased and improved trade among the poorer countries. As indicated in Part II, there appears to be a conflict between this strategy, which is internationally oriented, and certain other national approaches which start from the primary needs of communities and individuals, seeking to provide basic consumer goods, basic services (including health services), productive employment, an appropriate infrastructure, and mass participation in decision-taking and the implementation of projects.

Health development as a bridge between national and international approaches

34. The conflict of approaches mentioned above is more apparent than real. Non-material needs are also essential for human development and the quality of life. Health, although in one sense non-material, provides material benefits; health development can therefore be a bridge between the international efforts of the NIEO and the national efforts for social and economic development.

35. Human energy is the greatest source of economic endeavour, social awareness, and ability to absorb and apply knowledge. The availability of productive manpower, in the right numbers and with proper qualification is a basic prerequisite for economic development. This work force must enjoy a level of health, supported by adequate nutrition, which enables it to contribute efficiently to the development of the country, and therefore to its own social development and to the social development of those who depend on it.

36. The influence of health on economic development through the stimulation of individual human energy can be demonstrated by contrasting the downward spiral of disease, poverty and malnutrition with the upward spiral of improved health and adequate nutrition leading to better productivity and increased economic and social wellbeing. The cumulative effects of health and nutrition can give potential to individuals for more regular employment without exhaustion and consequently more opportunity for work. A regular income as an outcome of better individual work capacity can encourage any member of the population in most countries and increase and maintain a regular level of consumption. This increase of purchasing power can in itself be the start of a cumulative process of economic development, and the growth of consumption by individuals will encompass health consumption, thereby accelerating the interacting process of economic growth sustained by health and health reinforced by economic growth.

37. Since human energy is the basis of development, to determine on the basis of economic growth terms alone that portion of the national resources that is to be devoted to the social sector, including its health component, carries the risk of providing just enough human energy for economic production. In fact, this level of input will not generate the human energy necessary to improve sufficiently the quality of life, and this is the ultimate motivation for individual and collective efforts to raise production and to break out of the poverty equilibrium. Health is essential for the generation of this critical mass of human energy. It is thus not only a fundamental human right, as

stated in the Constitution of the World Health Organization; it is also a prerequisite to human development. Improvement in the level of health is a good indicator of improvement in the living standards of the mass of the population.

38. Health development could thus help the NIEO to lead to a genuine socioeconomic Development Order. Such health development, however, must not be confused with conventional approaches to the provision of health care. The kind of health development referred to here is that which was accepted by the International Conference on Primary Health Care. The Declaration of Alma-Ata (see Annex 2) and the recommendations of the Conference outline the main concepts involved. Of these, it is worth mentioning in particular the mutual contribution to development of actions in the health and relevant socioeconomic sectors, an equitable distribution of health resources, and the involvement of the community in shaping its own health and socioeconomic future. As stated in the Alma-Ata Declaration, primary health care forms an integral part both of the country's health system, of which it is the central function and main focus, and of the overall social and economic development of the community.

39. The world health situation depicted in Part II above on Health Development dramatically illustrates the relationship between health and socioeconomic development which are inextricably interwoven. As stated above, development implies continuing improvements in the living conditions and quality of life of people, and the quality of life depends directly upon the level of health. Health development is therefore essential for social and economic development, and the means for attaining them are closely linked. Measures aimed at genuine socioeconomic development, as distinct from mere economic growth, are likely to contribute to health development; and genuine measures to improve health are likely to contribute to general socioeconomic development. Actions to improve the health and the socioeconomic situation therefore have to be regarded as mutually supportive rather than competitive.

40. It has often been contended that improvements in health, and in particular its effect in reducing infant mortality, will add to the problem of over-population with all its

economic consequences. However, the available evidence shows that high levels of infant mortality are likely to lead to an increase rather than a decrease in the rate of population growth. People have in the past tended to have a large number of children in the hope that some, and in particular boys, will remain alive to work and support their parents in their old age. Where children are less liable to die young, this requirement disappears, and a decline in the birth rate generally follows a decline in the infant mortality rate. Improvements in health, particularly of children, can thus in fact contribute to stemming population growth. Whatever the cause-effect relationship, more and more evidence is accumulating that points to the positive impact on social and economic productivity, including family health, whenever development takes place in a climate of equity.

41. It has also been contended that better health will not lead to higher national output in a country where there is widespread unemployment and underemployment. Even if healthy workers are more productive and have a longer working life than sick workers, it is argued, when healthy workers become sick others may easily be found to replace them. This argument, however, is concerned only with individuals, and does not take into account the drag on development when whole communities are afflicted by disease. In addition, the control of a major disease such as malaria or river blindness can open up new areas for agriculture and can make acceptable more suitable methods of cultivation.

42. Economic growth activities themselves often lead to a deterioration in the health situation. For example, artificial lakes, dams, and certain methods of irrigation can facilitate the spread of such diseases as malaria, schistosomiasis and cholera. Industrial development and urban concentration give rise to risks from overcrowding (e.g. increased incidence of tuberculosis or mental ill health) and from pollution. Also, the fear of diseases such as cholera may hinder international trade and damage tourist prospects. Appropriate health action is therefore necessary to accompany such economic growth activities in order to avoid mistakes in planning, to avoid the waste of resources used to correct those mistakes, and to ensure

that maximum benefit is derived from economic growth activities in terms of genuine human development.

43. In short, development can be achieved as a result of human motivation, the application of the right knowledge, and the investment of the appropriate resources. People's motivation is strongly influenced by improvement in their health, which induces in them greater confidence in their future. Moreover, the physical and mental energy engendered by good health is not only important in itself for the quality of life, it is also essential to absorb the knowledge required for development and to translate this knowledge into social and economic productivity.

Health for all by the year 2000

44. The recognition of the close relationship between health and development, and the realization that human energy is the key to development, led the Thirtieth World Health Assembly to decide in May 1977 that the main social target of governments and WHO in the coming decades should be the attainment by all the citizens of the world by the year 2000 of a level of health that permits them to lead a socially and economically productive life. To attain this target a complete reappraisal of conventional health systems has taken place. These are now considered to reach far beyond the confines of medical care. It is recognized that improvements in health status of people can be reached only as a result of national and international political will, and the coordinated efforts of the health sector and relevant activities of other social and economic development sectors. Since health development both contributes to and results from social and economic development, health policies have to form a part of overall development policies, thus reflecting the social and economic goals of governments and people. It is now understood that health programmes have to be devised to give effect to these policies and attain these goals, rather than being mere extensions of existing medical care services. Health services, in turn, have to be organized in such a way as to deliver these programmes.

45. The distribution of resources for health has also come under close scrutiny. The need for a more equitable distribution of health resources within and among countries is now widely accepted, including their preferential allocation to those in greatest social need so that the health system

adequately covers all the population. Increasing emphasis is being laid on preventive measures well integrated with curative, rehabilitative and environmental measures. All the above has led to strengthening the concept of basing health systems on what is known as primary health care.

46. The Declaration issued by the International Conference on Primary Health Care held in Alma-Ata, USSR, in September 1978 (see Annex 2) incorporates the principles mentioned above, and will have far-reaching consequences for health development over the next two decades. It states that primary health care is the key to attaining an acceptable level of health for all by the year 2000 and describes primary health care as essential health care based on practical, scientifically sound and socially acceptable methods and technology, made universally accessible to individuals and families in the community through their full participation and at a cost that the community and the country can afford to maintain at every stage of their development, in the spirit of self-reliance and self-determination.

47. The Declaration of Alma-Ata urges all governments to formulate national policies, strategies and plans of action to launch and sustain primary health care as part of a comprehensive national health system and in coordination with other sectors. It also calls for urgent and effective national and international action to develop and implement primary health care throughout the world, and particularly in developing countries, in a spirit of technical cooperation and in keeping with a New International Economic Order. The Alma-Ata Conference also recognized that international health support for developing countries should respect fully the coordination of these resources by the developing countries themselves, making most use of locally available resources. The Conference urged countries to cooperate with one another, recognizing that all countries can learn from one another in matters of health and development.

48. The World Health Organization and its Member States are now engaged in preparing national, regional and global strategies for attaining an acceptable level of health for all based on primary health care. These strategies will constitute the health sector's contribution to the New

International Development Strategy, and will thus also contribute to the NIEO.

49. It can be seen that the philosophy, policy, principles and practices recently adopted in the world health sector correspond fully with the aims of the NIEO and with the means for achieving them.

Health activities implement NIEO objectives

50. The objectives of the NIEO are not in question: the transfer of resources, to ensure their more equitable distribution and to provide poorer countries with better opportunities to participate in world trade; and the transfer to those countries of appropriate technologies, with the accent on self-reliance. The adoption of these features has been initiated in the health field, which therefore provides an example of the application and practice of the principles involved in the NIEO.

51. The characteristics inherent in the strategy of health for all by the year 2000, based on primary health care, as described earlier, are precisely those demanded by the NIEO. Examples are: multisectoral coordination, with the mutual contribution to development of actions in the health and relevant socioeconomic sectors; the transfer of technology (as in the policy of appropriate technology for health); redistribution of resources on a more equitable basis, leading to universal accessibility of primary health care and its supporting services; increased self-reliance (as in the policy of technical cooperation among developing countries); and mass participation, ensuring involvement of the community in shaping its own health and socioeconomic future.

52. The transfer of appropriate technology for health to developing countries is an activity in which WHO is fully involved. The aim is to promote the development within countries of simple but scientifically sound health technologies, adapted to local needs, acceptable to those who apply them and to those for whom they are used, and able to be maintained by the people themselves, in keeping with the principle of self-reliance, with resources that the community and the country can afford. The transfer of inappropriate technology can be viewed as a form of foreign occupation or of technological neo-colonialism. In the

health field, the transfer of appropriate technology to developing countries or between developing countries has been the subject of many conferences and specific programmes. Emphasis is laid on the development of the right kind of health technologies by Third World countries themselves, and this could act as an important principle in other sectors than health. By diminishing the influence of the socially irrelevant health technologies of the affluent countries and their high import costs for developing countries this type of programme could be one of the bases of a NIEO.

53. Also fully consonant with the NIEO is the redistribution of resources in the health sector, as exemplified by trends in WHO's budget policy. For instance, as a result of a series of consultations held in November 1978 with major contributors of funds, representatives of developing countries and of the United Nations system, an International Health Funding Group has been formed. The broad mandate of the Group is to provide guidance to the Director-General on effective mobilization of international funding for health in terms of WHO priority programmes, but one of its most important functions is to advise on the alignment, harmonization and coordination of bilateral flows in the context of strategies set by the Health Assembly, including the promotion of TCDC. The Group will facilitate cooperation among contributors themselves and with developing countries in health and allied fields. In addition, it will examine the primary health care requirements of individual countries. The overall effect of the Group's activities is to ensure that funds and resources are properly channelled and exert their effect in a complementary fashion.

54. Another WHO policy aimed at stimulating national and regional self-reliance and promoting the redistribution of resources is technical cooperation among developing countries (TCDC). As mentioned previously, health development for the Third World implies technical cooperation among developing countries and economic cooperation among developing countries. TCDC is of particular importance in health, where appropriate technologies found suitable in some developing countries should be transferred to other developing countries. Mechanisms for ensuring timely and

appropriate exchanges of information on health matters are already being set up among interested countries. Within the framework of country strategies for achieving health for all by the year 2000, national centres for health development will be created and will support cooperation at the regional and international levels. TCDC has been recognized by the World Health Assembly as an important instrument for the technical liberation of developing countries, particularly in the fields of research, development and training, and exchange of experience and information on health care. Mechanisms for stimulating TCDC are being set up in WHO Regional Offices, and networks of regional and subregional centres concerned with various health activities are being established.¹ In this way, WHO's Member States are making strenuous efforts to cooperate with each other in the context of TCDC principles, with the Organization's cooperation. These activities are in addition to the many more instances of TCDC operating in the health field on a bilateral basis, without the direct involvement of WHO.

55. The health sector stresses multisectoral coordination, and this attitude could easily spread to other sectors. It has been shown in the health sector that countries can sink their differences in the interests of international health solidarity, with the objective of improving the health of the masses in the less favoured communities. In the health sector, world strategies are being constructed on the basis of national strategies. If this happened in other sectors too, a powerful force would be built up that would exert pressure to change the world order. This mass effect would be exerted from below rather than at the global level. An important area in which multisectoral coordination is particularly noteworthy is the provision of an adequate supply of safe drinking water and basic sanitation, one of the essential components of primary health care. The target date for safe water supply and sanitation for all has been set for 1990, as decided by the United Nations Water Conference. To help reach this target an international mechanism has been created consisting of the United Nations,

¹ For details see WHO document A32/23 (Collaboration with the United Nations system: technical cooperation among developing countries).

the United Nations Children's Fund, the United Nations Development Programme and the International Labour Office, the Food and Agriculture Organization, the World Bank and WHO. At country level, coordination between these bodies is ensured by the Resident Representative of the United Nations Development Programme; at the global level, by a steering committee of which WHO acts as servicing agency. Massive bilateral support is also being active sought.

56. Another area in which multisectoral coordination is essential but unfortunately has not yet been adequately achieved at the international level is that of food supplies. Promotion of food supply and proper nutrition is another essential component of primary health care. A world international food programme forms part of the NIEO.

57. In the development of any world international food programme an international nutrition policy is essential to complement the development effect of the production of food and to ensure that the right kinds of food are produced and consumed in the developing countries and that balance is reached between food crops and cash crops. These nutrition programmes should be closely linked to the development of national and international food programmes.

The health industry as an economic entity

58. In purely economic terms, very heavy investments are being made in the so-called health industry, which is in reality a sickness industry. There is also a large volume of international trade associated with this industry. The amount of economic activity involved means that the industry forms a sizeable part of world economy, and if the principles of the NIEO were applied in this industry alone, the results would be formidable. Trade objectives call for a specific trade policy related to the health system. For the moment, widely varying import policies relating to health supplies prevail in the developing countries. The international industrial health market is already very large, with an output in 1976 of US\$ 50 000 million for pharmaceutical production alone. In 1975 a handful of North American and European countries accounted for 71% of free-market developed country drug exports. The access to the health market of those individuals who do not yet have access to it

will also increase tremendously the international exchange between developed and developing countries, and also between developing countries, especially if combined with the transfer of appropriate technology and industrialization programmes. The setting up of national drug policies and the appearance of a United Nations policy on drugs and the Third World should be an integral part of any programme related to general trade. A case study on drug policies and essential drugs is presented in Annex 3.

59. At the national level, health as an economic sector in itself, in all countries, absorbs a large part of the national budget, to which private funds and private health consumption have to be added. Health, with its investments, production and salaries, is an integral part of any economic system. When countries have overcome poverty, a growing percentage of the national revenue will be reinvested in other services, creating at the national level an accelerating process comparable with that at the individual level. The economic implications of the health sector at the national level in the struggle to attain an acceptable level of health for all are complementary to those at the international level in ensuring that the NIEO becomes a genuine socioeconomic Development Order.

Health as a lever for development and peace

60. Exceptional efforts are being made in the health sector to promote health in a totally different way from accepted medical practice. These efforts aim at reducing health inequalities. They have succeeded in setting in motion a process of international transfer of appropriate health technology, and have led to cooperation rather than confrontation between developed and developing countries. This kind of health development is an integral part of socioeconomic development, and can act as a powerful lever for that development.

61. There is a strong advantage in using health as a common subject on which countries can agree to work together, both for the sake of improving health and the quality of life and for the sake of development in general, since health aspirations are less controversial politically than most

other social aspirations. The Member States of the World Health Organization have proved this by engaging in joint efforts to attain the common goal of an acceptable level of health for all. This measure of national and international agreement can be exploited to promote development, and through development to promote peace. Aspirations in the world health sector are thus not only fully consonant with and supportive to the aspirations of the NIEO; they are already being translated into worldwide action which reflects the principles of the NIEO. For this reason health development is not only making a powerful contribution to the NIEO within the health sector, but could also act as a model for other sectors.

Conclusion

62. The argument presented here provides an optimistic approach to solving some of the problems involved in establishing the NIEO. It is contended that the health sector is giving the lead in showing how the theory of the NIEO can be put into practice, and is providing models for other sectors, as regards both the content and the implementation of its programmes.

63. The following questions, arising from what has been said, would appear to merit discussion:

- (1) Is it true that socioeconomic development is dependent upon human energy and that an acceptable level of health is required to generate this energy?
- (2) In which way can the strategies for attaining an acceptable level of health for all by the year 2000 contribute to the NIEO?
- (3) The NIEO implies the transfer of resources and technologies, but what methods can be used to ensure that they are integrated into genuine socioeconomic development and not merely to economic growth?
- (4) Will the transfer of health resources from the developed to the developing countries result in an equitable distribution of those resources within countries - and is a New International Health Order possible without such redistribution?

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for ensuring the integrity of the financial statements and for providing a clear audit trail.

2. The second part of the document outlines the specific procedures that should be followed when recording transactions. This includes details on how to handle receipts, invoices, and other supporting documents, as well as the timing and frequency of record-keeping.

3. The third part of the document addresses the role of the accounting department in the overall financial management of the organization. It highlights the need for close communication and collaboration between the accounting department and other departments to ensure that all financial data is captured and recorded accurately.

4. The fourth part of the document discusses the importance of regular reviews and reconciliations of the accounts. It stresses that this is essential for identifying and correcting any errors or discrepancies in a timely manner.

5. The fifth part of the document concludes by reiterating the overall goal of the document, which is to provide a clear and concise guide to the record-keeping process. It encourages all employees to take their responsibilities seriously and to ensure that all transactions are recorded accurately and in a timely manner.

**RESOLUTIONS ADOPTED ON THE REPORT OF THE AD HOC COMMITTEE
OF THE SIXTH SPECIAL SESSION**

CONTENTS

<i>Resolution No.</i>	<i>Title</i>	<i>Item</i>	<i>Date of adoption</i>	<i>Page</i>
3201 (S-VI)	Declaration on the Establishment of a New International Economic Order	7	1 May 1974	3
3202 (S-VI)	Programme of Action on the Establishment of a New International Economic Order	7	1 May 1974	5

**3201 (S-VI). Declaration on the Establishment of
a New International Economic Order**

The General Assembly

Adopts the following Declaration:

**DECLARATION ON THE ESTABLISHMENT OF
A NEW INTERNATIONAL ECONOMIC ORDER**

We, the Members of the United Nations,

Having convened a special session of the General Assembly to study for the first time the problems of raw materials and development, devoted to the consideration of the most important economic problems facing the world community,

Bearing in mind the spirit, purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples,

Solemnly proclaim our united determination to work urgently for THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development and peace and justice for present and future generations, and, to that end, declare:

1. The greatest and most significant achievement during the last decades has been the independence from colonial and alien domination of a large number of peoples and nations which has enabled them to become members of the community of free peoples. Technological progress has also been made in all spheres of economic activities in the last three decades, thus providing a solid potential for improving the well-being of all peoples. However, 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. The benefits of technological progress are not shared equitably by all members of the international community. The developing countries, which constitute 70 per cent of the world's population, account for only 30 per cent of the world's income. It has proved impossible to achieve an even and balanced development of the international community under the existing international economic order. The gap between the developed and the developing countries continues to widen in a system which was established at a time when most of the developing countries did not even exist as independent States and which perpetuates inequality.

2. The present international economic order is in direct conflict with current developments in international political and economic relations. Since 1970, the world economy has experienced a series of grave 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 international 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.

3. All these changes have thrust into prominence the reality of interdependence 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 interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts. International co-operation for development is the shared goal and common duty of all countries. 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.

4. The new international economic order should be founded on full respect for the following principles:

(a) Sovereign equality of States, self-determination of all peoples, inadmissibility of the acquisition of territories by force, territorial integrity and non-interference in the internal affairs of other States;

(b) The broadest co-operation of all the States members of the international community, based on equity, whereby the prevailing disparities in the world may be banished and prosperity secured for all;

(c) Full and effective participation on the basis of equality of all countries in the solving of world economic problems in the common interest of all countries, bearing in mind the necessity to ensure the accelerated development of all the developing countries, while devoting particular attention to the adoption of special measures in favour of the least developed, land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interests of other developing countries;

(d) The right of every country to adopt the economic and social system that it deems the most appropriate for its own development and not to be subjected to discrimination of any kind as a result;

(e) Full permanent sovereignty of every State over its natural resources and all economic activities. In order to safeguard these resources, each State is entitled to exercise effective control over them and their exploitation with means suitable to its own situation, including the right to nationalization or transfer of ownership to its nationals, this right being an expression of the full permanent sovereignty of the State. No State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of this inalienable right;

(f) The right of all States, territories and peoples under foreign occupation, alien and colonial domination or *apartheid* to restitution and full compensation for the exploitation and depletion of, and damages to, the natural resources and all other resources of those States, territories and peoples;

(g) Regulation and supervision of the activities of transnational corporations by taking measures in the interest of the national economies of the countries where such transnational corporations operate on the basis of the full sovereignty of those countries;

(h) 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;

(i) The extending of assistance to developing countries, peoples and territories which are under colonial and alien domination, foreign occupation, racial discrimination or *apartheid* or are subjected to economic, political or any other type of coercive measures to obtain from them the subordination of the exercise of their sovereign rights and to secure from them advantages of any kind, and to neo-colonialism in all its forms, and which have estab-

lished or are endeavouring to establish effective control over their natural resources and economic activities that have been or are still under foreign control;

(j) Just and equitable relationship between the prices of raw materials, primary commodities, manufactured and semi-manufactured goods exported by developing countries and the prices of raw materials, primary commodities, manufactures, capital goods and equipment imported by them with the aim of bringing about sustained improvement in their unsatisfactory terms of trade and the expansion of the world economy;

(k) Extension of active assistance to developing countries by the whole international community, free of any political or military conditions;

(l) Ensuring that one of the main aims of the reformed international monetary system shall be the promotion of the development of the developing countries and the adequate flow of real resources to them;

(m) Improving the competitiveness of natural materials facing competition from synthetic substitutes;

(n) Preferential and non-reciprocal treatment for developing countries, wherever feasible, in all fields of international economic co-operation whenever possible;

(o) Securing favourable conditions for the transfer of financial resources to developing countries;

(p) Giving to the developing countries access to the achievements of modern science and technology, and promoting the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies;

(q) The need for all States to put an end to the waste of natural resources, including food products;

(r) The need for developing countries to concentrate all their resources for the cause of development;

(s) The strengthening, through individual and collective actions, of mutual economic, trade, financial and technical co-operation among the developing countries, mainly on a preferential basis;

(t) Facilitating the role which producers' associations may play within the framework of international co-operation and, in pursuance of their aims, *inter alia* assisting in the promotion of sustained growth of the world economy and accelerating the development of developing countries.

5. The unanimous adoption of the International Development Strategy for the Second United Nations Development Decade⁵ was an important step in the promotion of international economic co-operation on a just and equitable basis. The accelerated implementation of obligations and commitments assumed by the international community within the framework of the Strategy, particularly those concerning imperative development needs of developing countries, would contribute significantly to the fulfilment of the aims and objectives of the present Declaration.

6. The United Nations as a universal organization should be capable of dealing with problems of international economic co-operation in a compre-

⁵ Resolution 2626 (XXV).

hensive manner and ensuring equally the interests of all countries. It must have an even greater role in the establishment of a new international economic order. The Charter of Economic Rights and Duties of States, for the preparation of which the present Declaration will provide an additional source of inspiration, will constitute a significant contribution in this respect. All the States Members of the United Nations are therefore called upon to exert maximum efforts with a view to securing the implementation of the present Declaration, which is one of the principal guarantees for the creation of better conditions for all peoples to reach a life worthy of human dignity.

7. The present Declaration on the Establishment of a New International Economic Order shall be one of the most important bases of economic relations between all peoples and all nations.

2229th plenary meeting
1 May 1974

3202 (S-VI). Programme of Action on the Establishment of a New International Economic Order

The General Assembly

Adopts the following Programme of Action:

PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

CONTENTS

Section	Page
Introduction	5
I. Fundamental problems of raw materials and primary commodities as related to trade and development	5
II. International monetary system and financing of the development of developing countries	7
III. Industrialization	8
IV. Transfer of technology	8
V. Regulation and control over the activities of transnational corporations	8
VI. Charter of Economic Rights and Duties of States	8
VII. Promotion of co-operation among developing countries	9
VIII. Assistance in the exercise of permanent sovereignty of States over natural resources	9
IX. Strengthening the role of the United Nations system in the field of international economic co-operation	9
X. Special Programme	10

INTRODUCTION

1. 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 and natural calamities leading to serious retardation of development processes.

2. With a view to ensuring the application of the Declaration on the Establishment of a New International Economic Order,⁶ it will be necessary to adopt and implement within a specified period a programme of action of unprecedented scope and to bring about maximum economic co-operation and understanding among all States, particularly between developed and developing countries, based on the principles of dignity and sovereign equality.

I. FUNDAMENTAL PROBLEMS OF RAW MATERIALS AND PRIMARY COMMODITIES AS RELATED TO TRADE AND DEVELOPMENT

1. Raw materials

All efforts should be made:

(a) To put an end to all forms of foreign occupation, racial discrimination, *apartheid*, colonial, neo-colonial and alien domination and exploitation through the exercise of permanent sovereignty over natural resources;

(b) To take measures for the recovery, exploitation, development, marketing and distribution of natural resources, particularly of developing countries, to serve their national interests, to promote collective self-reliance among them and to strengthen mutually beneficial international economic co-operation with a view to bringing about the accelerated development of developing countries;

(c) To facilitate the functioning and to further the aims of producers' associations, including their joint marketing arrangements, orderly commodity trading, improvement in the export income of producing developing countries and in their terms of trade, and sustained growth of the world economy for the benefit of all;

(d) To evolve a just and equitable relationship between the prices of raw materials, primary commodities, manufactured and semi-manufactured goods exported by developing countries and the prices of raw materials, primary commodities, food, manufactured and semi-manufactured goods and capital equipment imported by them, and to work for a link between the prices of exports of developing countries and the prices of their imports from developed countries;

(e) To take measures to reverse the continued trend of stagnation or decline in the real price of several commodities exported by developing countries, despite a general rise in commodity prices, resulting in a decline in the export earnings of these developing countries;

(f) To take measures to expand the markets for natural products in relation to synthetics, taking into account the interests of the developing countries, and to utilize fully the ecological advantages of these products;

(g) To take measures to promote the processing of raw materials in the producer developing countries.

2. Food

All efforts should be made:

(a) To take full account of specific problems of developing countries, particularly in times of food

⁶ Resolution 3201 (S-VI).

shortages, in the international efforts connected with the food problem;

(b) To take into account that, owing to lack of means, some developing countries have vast potentialities of unexploited or underexploited land which, if reclaimed and put into practical use, would contribute considerably to the solution of the food crisis;

(c) By the international community to undertake concrete and speedy measures with a view to arresting desertification, salination and damage by locusts or any other similar phenomenon involving several developing countries, particularly in Africa, and gravely affecting the agricultural production capacity of these countries, and also to assist the developing countries affected by any such phenomenon to develop the affected zones with a view to contributing to the solution of their food problems;

(d) To refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources;

(e) By developed countries, in evolving their policies relating to production, stocks, imports and exports of food, to take full account of the interests of:

(i) Developing importing countries which cannot afford high prices for their imports;

(ii) Developing exporting countries which need increased market opportunities for their exports;

(f) To ensure that developing countries can import the necessary quantity of food without undue strain on their foreign exchange resources and without unpredictable deterioration in their balance of payments, and, in this context, that special measures are taken in respect of the least developed, land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities;

(g) To ensure that concrete measures to increase food production and storage facilities in developing countries are introduced, *inter alia*, by ensuring an increase in all available essential inputs, including fertilizers, from developed countries on favourable terms;

(h) To promote exports of food products of developing countries through just and equitable arrangements, *inter alia*, by the progressive elimination of such protective and other measures as constitute unfair competition.

3. General trade

All efforts should be made:

(a) To take the following measures for the amelioration of terms of trade of developing countries and concrete steps to eliminate chronic trade deficits of developing countries:

(i) Fulfilment of relevant commitments already undertaken in the United Nations Conference on Trade and Development and in the International Development Strategy for the Second United Nations Development Decade;⁷

(ii) Improved access to markets in developed countries through the progressive removal of tariff and non-tariff barriers and of restrictive business practices;

(iii) Expeditious formulation of commodity agreements where appropriate, in order to regulate as necessary and to stabilize the world markets for raw materials and primary commodities;

(iv) Preparation of an over-all integrated programme, setting out guidelines and taking into account the current work in this field, for a comprehensive range of commodities of export interest to developing countries;

(v) Where products of developing countries compete with the domestic production in developed countries, each developed country should facilitate the expansion of imports from developing countries and provide a fair and reasonable opportunity to the developing countries to share in the growth of the market;

(vi) When the importing developed countries derive receipts from customs duties, taxes and other protective measures applied to imports of these products, consideration should be given to the claim of the developing countries that these receipts should be reimbursed in full to the exporting developing countries or devoted to providing additional resources to meet their development needs;

(vii) Developed countries should make appropriate adjustments in their economies so as to facilitate the expansion and diversification of imports from developing countries and thereby permit a rational, just and equitable international division of labour;

(viii) Setting up general principles for pricing policy for exports of commodities of developing countries, with a view to rectifying and achieving satisfactory terms of trade for them;

(ix) Until satisfactory terms of trade are achieved for all developing countries, consideration should be given to alternative means, including improved compensatory financing schemes for meeting the development needs of the developing countries concerned;

(x) Implementation, improvement and enlargement of the generalized system of preferences for exports of agricultural primary commodities, manufactures and semi-manufactures from developing to developed countries and consideration of its extension to commodities, including those which are processed or semi-processed; developing countries which are or will be sharing their existing tariff advantages in some developed countries as the result of the introduction and eventual enlargement of the generalized system of preferences should, as a matter of urgency, be granted new openings in the markets of other developed countries which should offer them export opportunities that at least compensate for the sharing of those advantages;

(xi) The setting up of buffer stocks within the framework of commodity arrangements and their financing by international financial institutions, wherever necessary, by the developed countries and, when they are able to do so, by the developing countries, with the aim of favouring the producer developing

⁷ Resolution 2626 (XXV).

and consumer developing countries and of contributing to the expansion of world trade as a whole;

- (xii) In cases where natural materials can satisfy the requirements of the market, new investment for the expansion of the capacity to produce synthetic materials and substitutes should not be made;

(b) To be guided by the principles of non-reciprocity and preferential treatment of developing countries in multilateral trade negotiations between developed and developing countries, and to seek sustained and additional benefits for the international trade of developing countries, so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports and acceleration of the rate of their economic growth.

4. *Transportation and insurance*

All efforts should be made:

(a) To promote an increasing and equitable participation of developing countries in the world shipping tonnage;

(b) To arrest and reduce the ever-increasing freight rates in order to reduce the costs of imports to, and exports from, the developing countries;

(c) To minimize the cost of insurance and re-insurance for developing countries and to assist the growth of domestic insurance and reinsurance markets in developing countries and the establishment to this end, where appropriate, of institutions in these countries or at the regional level;

(d) To ensure the early implementation of the code of conduct for liner conferences;

(e) To take urgent measures to increase the import and export capability of the least developed countries and to offset the disadvantages of the adverse geographic situation of land-locked countries, particularly with regard to their transportation and transit costs, as well as developing island countries in order to increase their trading ability;

(f) By the developed countries to refrain from imposing measures or implementing policies designed to prevent the importation, at equitable prices, of commodities from the developing countries or from frustrating the implementation of legitimate measures and policies adopted by the developing countries in order to improve prices and encourage the export of such commodities.

II. INTERNATIONAL MONETARY SYSTEM AND FINANCING OF THE DEVELOPMENT OF DEVELOPING COUNTRIES

1. *Objectives*

All efforts should be made to reform the international monetary system with, *inter alia*, the following objectives:

(a) Measures to check the inflation already experienced by the developed countries, to prevent it from being transferred to developing countries and to study and devise possible arrangements within the International Monetary Fund to mitigate the effects of inflation in developed countries on the economies of developing countries;

(b) Measures to eliminate the instability of the international monetary system, in particular the uncertainty of the exchange rates, especially as it affects adversely the trade in commodities;

(c) Maintenance of the real value of the currency reserves of the developing countries by preventing their erosion from inflation and exchange rate depreciation of reserve currencies;

(d) Full and effective participation of developing countries in all phases of decision-making for the formulation of an equitable and durable monetary system and adequate participation of developing countries in all bodies entrusted with this reform and, particularly, in the proposed Council of Governors of the International Monetary Fund;

(e) Adequate and orderly creation of additional liquidity with particular regard to the needs of the developing countries through the additional allocation of special drawing rights based on the concept of world liquidity needs to be appropriately revised in the light of the new international environment; any creation of international liquidity should be made through international multilateral mechanisms;

(f) Early establishment of a link between special drawing rights and additional development financing in the interest of developing countries, consistent with the monetary characteristics of special drawing rights;

(g) Review by the International Monetary Fund of the relevant provisions in order to ensure effective participation by developing countries in the decision-making process;

(h) Arrangements to promote an increasing net transfer of real resources from the developed to the developing countries;

(i) Review of the methods of operation of the International Monetary Fund, in particular the terms for both credit repayments and "stand-by" arrangements, the system of compensatory financing, and the terms of the financing of commodity buffer stocks, so as to enable the developing countries to make more effective use of them.

2. *Measures*

All efforts should be made to take the following urgent measures to finance the development of developing countries and to meet the balance-of-payment crises in the developing world:

(a) Implementation at an accelerated pace by the developed countries of the time-bound programme, as already laid down in the International Development Strategy for the Second United Nations Development Decade, for the net amount of financial resource transfers to developing countries; increase in the official component of the net amount of financial resource transfers to developing countries so as to meet and even to exceed the target of the Strategy;

(b) International financing institutions should effectively play their role as development financing banks without discrimination on account of the political or economic system of any member country, assistance being untied;

(c) More effective participation by developing countries, whether recipients or contributors, in the decision-making process in the competent organs of the International Bank for Reconstruction and Development and the International Development Association,

through the establishment of a more equitable pattern of voting rights;

(d) Exemption, wherever possible, of the developing countries from all import and capital outflow controls imposed by the developed countries;

(e) Promotion of foreign investment, both public and private, from developed to developing countries in accordance with the needs and requirements in sectors of their economies as determined by the recipient countries;

(f) Appropriate urgent measures, including international action, should be taken to mitigate adverse consequences for the current and future development of developing countries arising from the burden of external debt contracted on hard terms;

(g) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium, rescheduling or interest subsidization;

(h) International financial institutions should take into account the special situation of each developing country in reorienting their lending policies to suit these urgent needs; there is also need for improvement in practices of international financial institutions in regard to, *inter alia*, development financing and international monetary problems;

(i) Appropriate steps should be taken to give priority to the least developed, land-locked and island developing countries and to the countries most seriously affected by economic crises and natural calamities, in the availability of loans for development purposes which should include more favourable terms and conditions.

III. INDUSTRIALIZATION

All efforts should be made by the international community to take measures to encourage the industrialization of the developing countries, and to this end:

(a) The developed countries should respond favourably, within the framework of their official aid as well as international financial institutions, to the requests of developing countries for the financing of industrial projects;

(b) The developed countries should encourage investors to finance industrial production projects, particularly export-oriented production, in developing countries, in agreement with the latter and within the context of their laws and regulations;

(c) With a view to bringing about a new international economic structure which should increase the share of the developing countries in world industrial production, the developed countries and the agencies of the United Nations system, in co-operation with the developing countries, should contribute to setting up new industrial capacities including raw materials and commodity-transforming facilities as a matter of priority in the developing countries that produce those raw materials and commodities;

(d) The international community should continue and expand, with the aid of the developed countries and the international institutions, the operational and instruction-oriented technical assistance programmes, including vocational training and management development of national personnel of the developing countries, in the light of their special development requirements.

IV. TRANSFER OF TECHNOLOGY

All efforts should be made:

(a) To formulate an international code of conduct for the transfer of technology corresponding to needs and conditions prevalent in developing countries;

(b) To give access on improved terms to modern technology and to adapt that technology, as appropriate, to specific economic, social and ecological conditions and varying stages of development in developing countries;

(c) To expand significantly the assistance from developed to developing countries in research and development programmes and in the creation of suitable indigenous technology;

(d) To adapt commercial practices governing transfer of technology to the requirements of the developing countries and to prevent abuse of the rights of sellers;

(e) To promote international co-operation in research and development in exploration and exploitation, conservation and the legitimate utilization of natural resources and all sources of energy.

In taking the above measures, the special needs of the least developed and land-locked countries should be borne in mind.

V. REGULATION AND CONTROL OVER THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS

All efforts should be made to formulate, adopt and implement an international code of conduct for transnational corporations:

(a) To prevent interference in the internal affairs of the countries where they operate and their collaboration with racist régimes and colonial administrations;

(b) To regulate their activities in host countries, to eliminate restrictive business practices and to conform to the national development plans and objectives of developing countries, and in this context facilitate, as necessary, the review and revision of previously concluded arrangements;

(c) To bring about assistance, transfer of technology and management skills to developing countries on equitable and favourable terms;

(d) To regulate the repatriation of the profits accruing from their operations, taking into account the legitimate interests of all parties concerned;

(e) To promote reinvestment of their profits in developing countries.

VI. CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

The Charter of Economic Rights and Duties of States, the draft of which is being prepared by a working group of the United Nations and which the General Assembly has already expressed the intention of adopting at its twenty-ninth regular session, shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality, and interdependence of the interests of developed and developing countries. It is therefore of vital importance that the

forementioned Charter be adopted by the General Assembly at its twenty-ninth session.

VII. PROMOTION OF CO-OPERATION AMONG DEVELOPING COUNTRIES

1. Collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international economic order. Developing countries, with a view to expanding co-operation at the regional, subregional and interregional levels, should take further steps, *inter alia*:

(a) To support the establishment and/or improvement of an appropriate mechanism to defend the prices of their exportable commodities and to improve access to and stabilize markets for them. In this context the increasingly effective mobilization by the whole group of oil-exporting countries of their natural resources for the benefit of their economic development is to be welcomed. At the same time there is the paramount need for co-operation among the developing countries in evolving urgently and in a spirit of solidarity all possible means to assist developing countries to cope with the immediate problems resulting from this legitimate and perfectly justified action. The measures already taken in this regard are a positive indication of the evolving co-operation between developing countries;

(b) To protect their inalienable right to permanent sovereignty over their natural resources;

(c) To promote, establish or strengthen economic integration at the regional and subregional levels;

(d) To increase considerably their imports from other developing countries;

(e) To ensure that no developing country accords to imports from developed countries more favourable treatment than that accorded to imports from developing countries. Taking into account the existing international agreements, current limitations and possibilities and also their future evolution, preferential treatment should be given to the procurement of import requirements from other developing countries. Wherever possible, preferential treatment should be given to imports from developing countries and the exports of those countries;

(f) To promote close co-operation in the fields of finance, credit relations and monetary issues, including the development of credit relations on a preferential basis and on favourable terms;

(g) To strengthen efforts which are already being made by developing countries to utilize available financial resources for financing development in the developing countries through investment, financing of export-oriented and emergency projects and other long-term assistance;

(h) To promote and establish effective instruments of co-operation in the fields of industry, science and technology, transport, shipping and mass communication media.

2. Developed countries should support initiatives in the regional, subregional and interregional co-operation of developing countries through the extension of financial and technical assistance by more effective and concrete actions, particularly in the field of commercial policy.

VIII. ASSISTANCE IN THE EXERCISE OF PERMANENT SOVEREIGNTY OF STATES OVER NATURAL RESOURCES

All efforts should be made:

(a) To defeat attempts to prevent the free and effective exercise of the rights of every State to full and permanent sovereignty over its natural resources;

(b) To ensure that competent agencies of the United Nations system meet requests for assistance from developing countries in connexion with the operation of nationalized means of production.

IX. STRENGTHENING THE ROLE OF THE UNITED NATIONS SYSTEM IN THE FIELD OF INTERNATIONAL ECONOMIC CO-OPERATION

1. In furtherance of the objectives of the International Development Strategy for the Second United Nations Development Decade and in accordance with the aims and objectives of the Declaration on the Establishment of a New International Economic Order, all Member States pledge to make full use of the United Nations system in the implementation of the present Programme of Action, jointly adopted by them, in working for the establishment of a new international economic order and thereby strengthening the role of the United Nations in the field of world-wide co-operation for economic and social development.

2. The General Assembly of the United Nations shall conduct an over-all review of the implementation of the Programme of Action as a priority item. All the activities of the United Nations system to be undertaken under the Programme of Action as well as those already planned, such as the World Population Conference, 1974, the World Food Conference, the Second General Conference of the United Nations Industrial Development Organization and the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade should be so directed as to enable the special session of the General Assembly on development, called for under Assembly resolution 3172 (XXVII) of 17 December 1973, to make its full contribution to the establishment of the new international economic order. All Member States are urged, jointly and individually, to direct their efforts and policies towards the success of that special session.

3. The Economic and Social Council shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing the present Programme of Action. In order to enable the Economic and Social Council to carry out its tasks effectively:

(a) All organizations, institutions and subsidiary bodies concerned within the United Nations system shall submit to the Economic and Social Council progress reports on the implementation of the Programme of Action within their respective fields of competence as often as necessary, but not less than once a year;

(b) The Economic and Social Council shall examine the progress reports as a matter of urgency, to which end it may be convened, as necessary, in special session or, if need be, may function continuously. It shall draw the attention of the General Assembly to the problems and difficulties arising in connexion with the implementation of the Programme of Action.

4. All organizations, institutions, subsidiary bodies and conferences of the United Nations system are entrusted with the implementation of the Programme of Action. The activities of the United Nations Conference on Trade and Development, as set forth in General Assembly resolution 1995 (XIX) of 30 December 1964, should be strengthened for the purpose of following in collaboration with other competent organizations the development of international trade in raw materials throughout the world.

5. Urgent and effective measures should be taken to review the lending policies of international financial institutions, taking into account the special situation of each developing country, to suit urgent needs, to improve the practices of these institutions in regard to, *inter alia*, development financing and international monetary problems, and to ensure more effective participation by developing countries—whether recipients or contributors—in the decision-making process through appropriate revision of the pattern of voting rights.

6. The developed countries and others in a position to do so should contribute substantially to the various organizations, programmes and funds established within the United Nations system for the purpose of accelerating economic and social development in developing countries.

7. The present Programme of Action complements and strengthens the goals and objectives embodied in the International Development Strategy for the Second United Nations Development Decade as well as the new measures formulated by the General Assembly at its twenty-eighth session to offset the shortfalls in achieving those goals and objectives.

8. The implementation of the Programme of Action should be taken into account at the time of the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade. New commitments, changes, additions and adaptations in the Strategy should be made, as appropriate, taking into account the Declaration on the Establishment of a New International Economic Order and the present Programme of Action.

X. SPECIAL PROGRAMME

The General Assembly adopts the following Special Programme, including particularly emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis, bearing in mind the particular problem of the least developed and land-locked countries:

The General Assembly,

Taking into account the following considerations:

(a) The sharp increase in the prices of their essential imports such as food, fertilizers, energy products, capital goods, equipment and services, including transportation and transit costs, has gravely exacerbated the increasingly adverse terms of trade of a number of developing countries, added to the burden of their foreign debt and, cumulatively, created a situation which, if left untended, will make it impossible for them to finance their essential imports and development and result in a further deterioration in the levels and conditions of life in these countries. The present crisis is the outcome of all the problems that

have accumulated over the years: in the field of trade, in monetary reform, the world-wide inflationary situation, inadequacy and delay in provision of financial assistance and many other similar problems in the economic and developmental fields. In facing the crisis, this complex situation must be borne in mind so as to ensure that the Special Programme adopted by the international community provides emergency relief and timely assistance to the most seriously affected countries. Simultaneously, steps are being taken to resolve these outstanding problems through a fundamental restructuring of the world economic system, in order to allow these countries while solving the present difficulties to reach an acceptable level of development.

(b) The special measures adopted to assist the most seriously affected countries must encompass not only the relief which they require on an emergency basis to maintain their import requirements, but also, beyond that, steps to consciously promote the capacity of these countries to produce and earn more. Unless such a comprehensive approach is adopted, there is every likelihood that the difficulties of the most seriously affected countries may be perpetuated. Nevertheless, the first and most pressing task of the international community is to enable these countries to meet the shortfall in their balance-of-payments positions. But this must be simultaneously supplemented by additional development assistance to maintain and thereafter accelerate their rate of economic development.

(c) The countries which have been most seriously affected are precisely those which are at the greatest disadvantage in the world economy: the least developed, the land-locked and other low-income developing countries as well as other developing countries whose economies have been seriously dislocated as a result of the present economic crisis, natural calamities, and foreign aggression and occupation. An indication of the countries thus affected, the level of the impact on their economies and the kind of relief and assistance they require can be assessed on the basis, *inter alia*, of the following criteria:

- (i) Low *per capita* income as a reflection of relative poverty, low productivity, low level of technology and development;
- (ii) Sharp increase in their import cost of essentials relative to export earnings;
- (iii) High ratio of debt servicing to export earnings;
- (iv) Insufficiency in export earnings, comparative inelasticity of export incomes and unavailability of exportable surplus;
- (v) Low level of foreign exchange reserves or their inadequacy for requirements;
- (vi) Adverse impact of higher transportation and transit costs;
- (vii) Relative importance of foreign trade in the development process.

(d) The assessment of the extent and nature of the impact on the economies of the most seriously affected countries must be made flexible, keeping in mind the present uncertainty in the world economy, the adjustment policies that may

be adopted by the developed countries and the flow of capital and investment. Estimates of the payments situation and needs of these countries can be assessed and projected reliably only on the basis of their average performance over a number of years. Long-term projections, at this time, cannot but be uncertain.

(e) It is important that, in the special measures to mitigate the difficulties of the most seriously affected countries, all the developed countries as well as the developing countries should contribute according to their level of development and the capacity and strength of their economies. It is notable that some developing countries, despite their own difficulties and development needs, have shown a willingness to play a concrete and helpful role in ameliorating the difficulties faced by the poorer developing countries. The various initiatives and measures taken recently by certain developing countries with adequate resources on a bilateral and multilateral basis to contribute to alleviating the difficulties of other developing countries are a reflection of their commitment to the principle of effective economic co-operation among developing countries.

(f) The response of the developed countries which have by far the greater capacity to assist the affected countries in overcoming their present difficulties must be commensurate with their responsibilities. Their assistance should be in addition to the presently available levels of aid. They should fulfil and if possible exceed the targets of the International Development Strategy for the Second United Nations Development Decade on financial assistance to the developing countries, especially that relating to official development assistance. They should also give serious consideration to the cancellation of the external debts of the most seriously affected countries. This would provide the simplest and quickest relief to the affected countries. Favourable consideration should also be given to debt moratorium and rescheduling. The current situation should not lead the industrialized countries to adopt what will ultimately prove to be a self-defeating policy aggravating the present crisis.

Recalling the constructive proposals made by His Imperial Majesty the Shahanshah of Iran⁸ and His Excellency Mr. Houari Boumediène, President of the People's Democratic Republic of Algeria,⁹

1. *Decides* to launch a Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected, as a matter of urgency, and for the period of time necessary, at least until the end of the Second United Nations Development Decade, to help them overcome their present difficulties and to achieve self-sustaining economic development;

2. *Decides* as a first step in the Special Programme to request the Secretary-General to launch an emergency operation to provide timely relief to the most seriously affected developing countries, as defined in subparagraph (c) above, with the aim of maintaining unimpaired essential imports for the duration of the coming twelve months and to invite the indus-

trialized countries and other potential contributors to announce their contributions for emergency assistance, or intimate their intention to do so, by 15 June 1974 to be provided through bilateral or multilateral channels, taking into account the commitments and measures of assistance announced or already taken by some countries, and further requests the Secretary-General to report the progress of the emergency operation to the General Assembly at its twenty-ninth session, through the Economic and Social Council at its fifty-seventh session;

3. *Calls upon* the industrialized countries and other potential contributors to extend to the most seriously affected countries immediate relief and assistance which must be of an order of magnitude that is commensurate with the needs of these countries. Such assistance should be in addition to the existing level of aid and provided at a very early date to the maximum possible extent on a grant basis and, where not possible, on soft terms. The disbursement and relevant operational procedures and terms must reflect this exceptional situation. The assistance could be provided either through bilateral or multilateral channels, including such new institutions and facilities that have been or are to be set up. The special measures may include the following:

(a) Special arrangements on particularly favourable terms and conditions including possible subsidies for and assured supplies of essential commodities and goods;

(b) Deferred payments for all or part of imports of essential commodities and goods;

(c) Commodity assistance, including food aid, on a grant basis or deferred payments in local currencies, bearing in mind that this should not adversely affect the exports of developing countries;

(d) Long-term suppliers' credits on easy terms;

(e) Long-term financial assistance on concessional terms;

(f) Drawings from special International Monetary Fund facilities on concessional terms;

(g) Establishment of a link between the creation of special drawing rights and development assistance, taking into account the additional financial requirements of the most seriously affected countries;

(h) Subsidies, provided bilaterally or multilaterally, for interest on funds available on commercial terms borrowed by the most seriously affected countries;

(i) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium or rescheduling;

(j) Provision on more favourable terms of capital goods and technical assistance to accelerate the industrialization of the affected countries;

(k) Investment in industrial and development projects on favourable terms;

(l) Subsidizing the additional transit and transport costs, especially of the land-locked countries;

4. *Appeals* to the developed countries to consider favourably the cancellation, moratorium or rescheduling of the debts of the most seriously affected developing countries, on their request, as an important contribution to mitigating the grave and urgent difficulties of these countries;

⁸ A/9548, annex.

⁹ Official Records of the General Assembly, Sixth Special Session, Plenary Meetings, 2208th meeting, paras. 3-152.

5. *Decides* to establish a Special Fund under the auspices of the United Nations, through voluntary contributions from industrialized countries and other potential contributors, as a part of the Special Programme, to provide emergency relief and development assistance, which will commence its operations at the latest by 1 January 1975;

6. *Establishes an Ad Hoc Committee* on the Special Programme, composed of thirty-six Member States appointed by the President of the General Assembly, after appropriate consultations, bearing in mind the purposes of the Special Fund and its terms of reference:

(a) To make recommendations, *inter alia*, on the scope, machinery and modes of operation of the Special Fund, taking into account the need for:

- (i) Equitable representation on its governing body;
- (ii) Equitable distribution of its resources;
- (iii) Full utilization of the services and facilities of existing international organizations;
- (iv) The possibility of merging the United Nations Capital Development Fund with the operations of the Special Fund;
- (v) A central monitoring body to oversee the various measures being taken both bilaterally and multilaterally;

and, to this end, bearing in mind the different ideas and proposals submitted at the sixth special session, including those put forward by Iran¹⁰ and those made at the 2208th plenary meeting, and the comments thereon, and the possibility of utilizing the Special Fund to provide an alternative channel for normal development assistance after the emergency period;

(b) To monitor, pending commencement of the operations of the Special Fund, the various measures being taken both bilaterally and multilaterally to assist the most seriously affected countries;

(c) To prepare, on the basis of information provided by the countries concerned and by appropriate agencies of the United Nations system, a broad assessment of:

- (i) The magnitude of the difficulties facing the most seriously affected countries;
- (ii) The kind and quantities of the commodities and goods essentially required by them;
- (iii) Their need for financial assistance;
- (iv) Their technical assistance requirements, including especially access to technology;

7. *Requests* the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development, the President of the International Bank for Reconstruction and Development, the Managing Director of the International Monetary Fund, the Administrator of the United Nations Development Programme and the heads of the other competent international organizations to assist the *Ad Hoc Committee* on the Special Programme in performing the functions assigned to it under paragraph 6 above, and to help, as appropriate, in the operations of the Special Fund;

8. *Requests* the International Monetary Fund to expedite decisions on:

(a) The establishment of an extended special facility with a view to enabling the most seriously affected developing countries to participate in it on favourable terms;

(b) The creation of special drawing rights and the early establishment of the link between their allocation and development financing;

(c) The establishment and operation of the proposed new special facility to extend credits and subsidize interest charges on commercial funds borrowed by Member States, bearing in mind the interests of the developing countries and especially the additional financial requirements of the most seriously affected countries;

9. *Requests* the World Bank Group and the International Monetary Fund to place their managerial, financial and technical services at the disposal of Governments contributing to emergency financial relief so as to enable them to assist without delay in channelling funds to the recipients, making such institutional and procedural changes as may be required;

10. *Invites* the United Nations Development Programme to take the necessary steps, particularly at the country level, to respond on an emergency basis to requests for additional assistance which it may be called upon to render within the framework of the Special Programme;

11. *Requests* the *Ad Hoc Committee* on the Special Programme to submit its report and recommendations to the Economic and Social Council at its fifty-seventh session and invites the Council, on the basis of its consideration of that report, to submit suitable recommendations to the General Assembly at its twenty-ninth session;

12. *Decides* to consider as a matter of high priority at its twenty-ninth session, within the framework of a new international economic order, the question of special measures for the most seriously affected countries.

2229th plenary meeting
1 May 1974

* * *

The President of the General Assembly subsequently informed the Secretary-General¹¹ that, in pursuance of section X, paragraph 6, of the above resolution, he had appointed the members of the Ad Hoc Committee on the Special Programme.

As a result, the Ad Hoc Committee will be composed of the following Member States: ALGERIA, ARGENTINA, AUSTRALIA, BRAZIL, CHAD, COSTA RICA, CZECHOSLOVAKIA, FRANCE, GERMANY (FEDERAL REPUBLIC OF), GUYANA, INDIA, IRAN, JAPAN, KUWAIT, MADAGASCAR, NEPAL, NETHERLANDS, NIGERIA, NORWAY, PAKISTAN, PARAGUAY, PHILIPPINES, SOMALIA, SRI LANKA, SUDAN, SWAZILAND, SYRIAN ARAB REPUBLIC, TURKEY, UNION OF SOVIET SOCIALIST REPUBLICS, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, UNITED STATES OF AMERICA, UPPER VOLTA, URUGUAY, VENEZUELA, YUGOSLAVIA and ZAIRE.

¹⁰ A/AC.166/L.15; see also A/9548, annex.

¹¹ A/9558 and Add.1.

DECLARATION OF ALMA-ATA

The International Conference on Primary Health Care, meeting in Alma-Ata this twelfth day of September in the year Nineteen hundred and seventy-eight, expressing the need for urgent action by all governments, all health and development workers, and the world community to protect and promote the health of all the people of the world, hereby makes the following declaration:

I

The conference strongly reaffirms that health, which is a state of complete physical, mental and social wellbeing, and not merely the absence of disease or infirmity, is a fundamental human right and that the attainment of the highest possible level of health is a most important worldwide social goal whose realization requires the action of many other social and economic sectors in addition to the health sector.

II

The existing gross inequality in the health status of the people, particularly between developed and developing countries as well as within countries, is politically, socially and economically unacceptable and is therefore, of common concern to all countries.

III

Economic and social development, based on a New International Economic Order, is of basic importance to the fullest attainment of health for all and to the reduction of the gap between the health status of the developing and developed countries. The promotion and protection of the health of the people is essential to sustained economic and social development and contributes to a better quality of life and to world peace.

IV

The people have the right and duty to participate individually and collectively in the planning and implementation of their health care.

V

Governments have a responsibility for the health of their people which can be fulfilled only by the provision of adequate health and social measures. A main social target of governments, international organizations and the whole world community in the coming decades should be the attainment by all peoples of the world by the year 2000 of a level of health that will permit them to lead a socially and economically productive life. Primary health care is the key to attaining this target as part of development in the spirit of social justice.

VI

Primary health care is essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individuals and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination. It forms an integral part both of the country's health system, of which it is the central function and main focus, and of the overall social and economic development of the community. It is the first level of contact of individuals, the family and community with the national health system bringing health care as close as possible to where people live and work, and constitutes the first element of a continuing health care process.



WHO

Extract from:

Alma-Ata 1978. Primary Health Care. Report of the International Conference on Primary Health Care, Alma-Ata, USSR, 6-12 September 1978. Jointly sponsored by the World Health Organization and the United Nations Children's Fund.



UNICEF

VII

Primary health care:

1. reflects and evolves from the economic conditions, sociocultural and political characteristics of the country and its communities and is based on the application of the relevant results of social, biomedical and health services research and public health experience;
2. addresses the main health problems in the community, providing promotive, preventive, curative, and rehabilitative services accordingly;
3. includes at least: education concerning prevailing health problems and the methods of preventing and controlling them; promotion of food supply and proper nutrition, an adequate supply of safe water and basic sanitation; maternal and child health care, including family planning; immunization against the major infectious diseases; prevention and control of locally endemic diseases; appropriate treatment of common diseases and injuries; and provision of essential drugs;
4. involves, in addition to the health sector, all related sectors and aspects of national and community development, in particular agriculture, animal husbandry, food, industry, education, housing, public works, communications and other sectors; and demands the coordinated efforts of all those sectors;
5. requires and promotes maximum community and individual self-reliance and participation in the planning, organization, operation and control of primary health care, making the fullest use of local, national and other available resources, and to this end develops through appropriate education the ability of communities to participate;
6. should be sustained by integrated, functional and mutually supportive referral systems, leading to the progressive improvement of comprehensive health care for all, and giving priority to those most in need;
7. relies, at local and referral levels, on health workers, including physicians, nurses, midwives, auxiliaries and community workers as applicable, as well as traditional practitioners as needed, suitably trained socially and technically to work as a health team and to respond to the expressed health needs of the community.

VIII

All governments should formulate national policies, strategies and plans of action to launch and sustain primary health care as part of a comprehensive national health system and in coordination with other sectors. To this end, it will be necessary to exercise political will, to mobilize the country's resources and to use available external resources rationally.

IX

All countries should cooperate in a spirit of partnership and service to ensure primary health care for all people since the attainment of health by people in any one country directly concerns and benefits every other country. In this context the joint WHO/UNICEF report on primary health care constitutes a solid basis for the further development and operation of primary health care throughout the world.

X

An acceptable level of health for all the people of the world by the year 2000 can be attained through a fuller and better use of the world's resources, a considerable part of which is now spent on armaments and military conflicts. A genuine policy of independence, peace, détente and disarmament could and should release additional resources that could well be devoted to peaceful aims and in particular to the acceleration of social and economic development of which primary health care, as an essential part, should be allotted its proper share.

★

The International Conference on Primary Health Care calls for urgent and effective national and international action to develop and implement primary health care throughout the world and particularly in developing countries in a spirit of technical cooperation and in keeping with a New International Economic Order. It urges governments, WHO and UNICEF, and other international organizations, as well as multilateral and bilateral agencies, nongovernmental organizations, funding agencies, all health workers and the whole world community to support national and international commitment to primary health care and to channel increased technical and financial support to it, particularly in developing countries. The Conference calls on all the aforementioned to collaborate in introducing, developing and maintaining primary health care in accordance with the spirit and content of this Declaration.

ANNEX 3

DRUG POLICIES AND ESSENTIAL DRUGS:

A CASE STUDY

1. The increasing cost of drugs and related products and services in developing countries results in a considerable increase in the amount of the national budget that is allocated, directly or indirectly, to demands for pharmaceuticals and vaccines in the public and private sectors.
2. The value of drugs produced globally in 1975 (excluding Socialist countries for which figures are not available) was around US\$ 40 000 million. The developing world accounted for only one-tenth of this figure, over half of which involved only three countries: Brazil, India and Mexico. International trade in pharmaceuticals for 1974 was estimated at US\$ 6000 million, imports to developing countries accounting for about one-third whereas exports accounted for only 7%. These imports included finished pharmaceutical products, bulk drugs in final dosage form for repackaging, medicinal chemicals for dosage formulation and, in some cases, chemical intermediates for further processing.
3. Most developing countries are now faced with rapidly increasing drug importation bills in connexion with the expansion of health care, particularly primary health care, and the increase in population. For developing countries, importation of pharmaceuticals is one of the fastest-growing drains on hard foreign currency and prices of imported essential drugs are very often higher than in the country of origin. The importation pattern of pharmaceuticals in these countries revealed an unfavourable balance of US\$ 1, 566 million in 1974.
4. Most developing countries lack a basic supporting chemical industry, and pharmaceutical production is mainly confined to formulation and packaging. Of the developing countries, 45 have no pharmaceutical manufacturing industry at all, 43 have only simple formulation and packaging industries, and only 7 have some basis for a real pharmaceutical industry, the majority of these activities being handled by transnational corporations through licensing and patent arrangements or direct capital investment, denationalizing the indigenous pharmaceutical industry.

5. Today there is firm evidence that the cost of imported drugs and technology for pharmaceutical production is very high. The most commonly used justification is the argument of the high cost of research and development which is mostly carried out by a few transnational corporations in industrialized countries. However, it should be noted that much of this research is directed towards the development of drugs that do not meet the basic health needs of developing countries. There is also great pressure to use brand names rather than generic names (INN) for pharmaceutical products. Use of the latter could facilitate the availability of alternative, cheaper drugs that are still satisfactory from the medical point of view.

6. World pharmaceutical consumption in 1978 clearly shows the imbalance of drug supply and consumption between developed and developing countries. Generally, health product markets will grow rapidly up to 1985, a growth of 10% per annum being estimated for pharmaceuticals worldwide. Furthermore, the largest growth forecast is in Asia, Latin America and developing countries in general.

7. A glance at the structure of the pharmaceutical market and the influence of transnational corporations indicates that 20 leading corporations account for approximately 43% of the world drug market. This oligopolistic structure is most evident when comparing the participation of transnational corporations by product or therapeutic category in the market of developing countries.

8. The following figures are indicators of the economic, technological and social imbalance prevalent in the pharmaceutical sector:

SHARE OF REGIONAL MARKETS BY LEADING MANUFACTURERS (%)

	<u>World</u>	<u>Europe</u>	<u>Latin America</u>	<u>Asia, Africa, Australia</u>
10 leading transnational companies	27.4	26.3	28.4	12.5
20 leading transnational companies	43.0	34.0	47.0	24.3

9. The world structure of the pharmaceutical industry is extremely complex and this industry is unique as regards the scope and depth of its operations in international markets. A few developing countries with a well-developed pharmaceutical industry are participating in international trade. However, technological innovations are mainly developed by transnational corporations which, by pooling capital, technology and modern management on an international scale, have been able to continue to develop and market new products worldwide in accordance with the present world economy.

10. The following are some of the most relevant indicators of the situation of the pharmaceutical sector in developing countries that could be considered as influential with regard to drugs and the new international economic order:

(1) The share of transnational pharmaceutical companies in developing countries is between 75% and 85%, with more or less the same leading products in the majority of developing countries.

(2) Generally no more than 25 to 30 pharmaceutical producers supply about 80% of the drugs consumed in developing countries.

(3) In developing countries the pharmaceutical sector is a captive market which has an effect on the health care system, and especially on the cost and type of drugs supplied.

(4) The technological changes and the price structure of pharmaceuticals can be determined by medical and non-medical factors, among the latter technological and commercial pressures.

(5) The highly concentrated structure of the pharmaceutical industry is protected by patents and trade names, in addition to the specific and highly developed know-how.

(6) Several analyses show that the drug consumption patterns in developing countries do not always parallel the pattern of the most common prevalent diseases. This reflection of drug

utilization is the result of the interplay of pressures on the pharmaceutical market, such as economic pressures, academico-scientific pressures, marketing and social pressures, etc.

(7) Price transfer practices vary widely from country to country, and it seems that the key factor is the relationship between host country and guest company.

(8) The lack of a national comprehensive drug policy, as part of national health planning, creates in most developing countries a gap between drug demands and the actual health need for essential drugs.

11. Despite the high proportion of the health care budget that is spent on pharmaceuticals, it has been estimated that in many developing countries 60-70% of the population, mainly in rural areas, do not have constant access to the most essential drugs. This shortage of pharmaceuticals has two main causes: economic (because of the low income and limited productivity of the people in relation to current prices of available drugs) and geographical (because developing countries and particularly the landlocked countries and small islands), are far from the production and technological centres of the world. Naturally, the shortage of pharmaceuticals can be measured by economic analysis but this alone cannot measure qualitative elements such as the type of pharmaceuticals available, their quality and safety, and their proper utilization by health personnel.

12. If economic indicators are not contrasted with relevant social indicators there is a danger of misinterpreting the real impact of the economic dimension of the problem in developing countries and the real impact of the actual transfer of technology that will take place in the pharmaceutical sector due to new concepts on national health policies, especially primary health care, linked with a comprehensive drug policy. The total drug expenditure and per capita increase in drug consumption that could be statistically shown may be concentrated in a privileged group of the society. However, if increase in drug

expenditure is accompanied by a reduction in mortality and morbidity rates, this increase is likely to represent a major improvement in drug utilization and population coverage, since this reduction would not be confined to privileged groups. This is one example of how health policies can influence or be influenced by the present economic order and also an example of how the new international economic order could be reached within the health sector.

13. The developing countries have come to realize that the conventional traditional approach is inappropriate for meeting the basic health needs, especially in drugs and vaccines, of their vast population, within a reasonable period of time and at a cost that they can afford.
14. The problem is not only to extend the existing health care coverage, which is generally very limited, but to begin building at the other end of the periphery. This is the concept of primary health care, of essential care made accessible universally to the community. Whereas primary health care exists in some countries, the need for an adequate supply of pharmaceuticals and vaccines indispensable for meeting the basic health needs of large segments of the population is assuming a new social and economic dimension.
15. The question has been raised whether pharmaceutical products, particularly essential drugs (those indispensable for meeting the basic health needs of the population) should be considered as ordinary commercial commodities subject to the normal market forces of supply and demand.
16. The main criticisms of certain pharmaceutical companies are related to the pricing of medicinal products, the quality of promotion and information on the products, drug research and development policies oriented towards lucrative markets instead of real health needs, product exclusivity through patents and brand names, market collusion and, in developing countries, strategies with regard to ownership of local production facilities, pricing of raw materials, and limited transfer of technology. The conflicts between concepts of

social justice and public interest, and the commercial interests of the pharmaceutical industry, have led many industrialized countries to apply stringent regulations to limit the freedom of pharmaceutical enterprises. Important changes must occur in the pharmaceutical delivery system if health care is to be made accessible to all by the year 2000, and the NIEO will influence and be influenced by those changes.

17. It is clear that, to ensure the optimal use of limited financial resources, the available drugs in developing countries should be restricted to those proven to be therapeutically effective, to have acceptable safety, to satisfy health needs and to be reasonably priced. These drugs are "essential drugs" and the implementation of their utilization in developing countries may completely change the present profile of the pharmaceutical sector in the world, modifying the technological and economic structure of the producing and consuming centres in developed and developing countries.

18. Several developing countries have undertaken the task of finding solutions to the problem of shortage of essential drugs for their health care programmes.

19. In 1975 the Twenty-eighth World Health Assembly considered a comprehensive report of the Director-General which reviewed the main components of drug policies, involving not only the health sector but also the industry, trade and financial sectors. This report also outlined problems both in developed and developing countries and emphasized the need for adequate policies in order to meet the needs of developing countries where large segments of the population do not have access to the most essential drugs and vaccines indispensable to effective health care. In the pertinent resolution the World Health Assembly stressed the need to develop drug policies linking drug research, production and distribution to real health needs and requested the Director-General inter alia to advise countries on selection and procurement, at reasonable cost, of essential drugs of established quality.

20. Following this and other resolutions at global and regional levels, WHO has initiated and stimulated several activities, including technical cooperation among developing countries (TCDC) in interested developing countries, aimed towards the achievement of better pharmaceutical supply.

21. TCDC in the pharmaceutical sector is a multicountry effort that is under way in some regions, such as preparing a combined list of essential drugs in the South Pacific islands, bulk purchasing in the Caribbean countries, and the production of raw materials and intermediates in the countries of the Andean Pact in South America. The pharmaceutical sector, because of its especially complex characteristics, provides a unique opportunity for TCDC to flourish as it plays a role within both national economic and health planning.

22. Drug policies at national and regional levels have direct relevance in the creation of a suitable environment for the new international economic order. Developing countries are making efforts to determine:

- (a) which drugs are really needed for their health care systems,
- (b) whether to import such drugs or to try to produce them locally, and
- (c) how to ensure that the required drugs reach the consumer in reasonable condition.

23. The main objective of TCDC in the pharmaceutical sector is the identification of problem areas in each individual country within the framework of its own socioeconomic conditions and possible areas for future technical and economic cooperation while strengthening national and regional capabilities, especially when dealing with sources of technology and finance.

24. United Nations agencies are increasingly under pressure from developing countries, not only to help them develop more efficient strategies but also to

assist in developing a multisectoral approach to the solutions. In December 1976, a task force of United Nations agencies (WHO, UNIDO, UNCTAD, UNDP, UNICEF and UNAPEC) began working "to provide a co-ordinated response by the United Nations system to the needs of the developing countries in the pharmaceutical sector".

25. WHO, together with other United Nations agencies, is participating in a project entitled "Economic and Technical Cooperation among Developing Countries in the Pharmaceutical Sector", the executing agency being the Government of Guyana. This project is unique in its nature and approach.

26. WHO has initiated, within its drug policies and management programme, an action programme on essential drugs, which is a comprehensive response to the unbalanced economic and technological situation between developed and developing countries in the pharmaceutical sector. This programme forms part of the strategy for implementing the aim of health for all by the year 2000.

27. In short, pharmaceuticals is one of the components of the health sector where a move has been made towards achieving the objectives of the New International Economic Order. This is true as regards the development of appropriate technology (drawing up lists of essential drugs and improving their utilization), the transfer of such technology (concerning the production and control of essential drugs), and better trade (through bulk purchasing agreements and strengthening the bargaining power of developing countries). In this field there has been both technical cooperation among developing countries (preparing consolidated lists of essential drugs, regional and subregional cooperation on drug quality control arrangements) and economic cooperation among developing countries (trade and financial agreements and price information and transfer agreements).

28. The activities in pharmaceuticals, although oriented to health, are multisectoral in nature, with implications that are of social, economical and technological relevance, and these activities may perhaps serve as examples for sectors

other than health. It is for the developing countries themselves to decide on such matters as which drugs they need and in what quantities, the precise way in which they are to be utilized, how they are to be supplied, and where and how drug quality is to be controlled. What is needed now is the transfer of resources to help developing countries to establish their own pharmaceutical supply systems appropriate to their needs.