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Speech by Mwalimu Julius K. Nyerere
Chairman of the South Commission
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Mr. Chairman; Mr. Secretary-General; President Mugabe;
ECOSOC Members; Friends.

First, I wish to thank you, Mr. Chairman, and all the Members of ECOSOC for inviting me to the opening of this ECOSOC session this morning. It is indeed an honour to be invited to present to you the final Report of the South Commission in the presence of the United Nations Secretary General and all your distinguished members. Finally, I wish to express the appreciation of myself and my fellow-members of the South Commission for the arrangements which ECOSOC has made, with the assistance of UNCTAD, for an informal discussion today on the final Report of the South Commission.

Mr. Chairman. The work of the Commission was based on the realisation - born from day to day experience in our countries - that there is a South, and there is a North. The boundary between North and South is blurred, and there is great diversity of wealth, welfare, policies, and power within both classifications. The division has nothing to do with morality; nor does it imply hostility of one group to another. It is a tool of analysis made valid by a real and fundamental division between the weak and the strong, the developed and underdeveloped, and the powerful and powerless of

the world. And the usefulness of this analytic tool lies in the need to end this division for the benefit of all the world's people.

Thus, the purpose of the South Commission was firstly, to analyse the experience and the problems of development in the developing countries over the last three decades. Secondly, its task was to make recommendations for more hopeful future development strategies in the light of that experience and of the present and probable future trends in world affairs and relationships.

The South Commission's Report is therefore directed primarily - but not exclusively - at the developing countries whose conditions and problems inspired its establishment. This means their peoples, and their non-governmental organisations in all fields. And as such a Commission can only deal with development problems at a strategic level, the Report is directed especially at governments in the South but also in the North; it is they who are the national decision makers and who set the framework within which individuals and non-governmental organisations must operate.

Finally, The Report is directed at international organisations, and especially those in which developing countries have a vital interest, such as the United Nations and its family of associated organisations. This includes the International Financial Institutions which now play so important a role in their lives.

This Report, entitled The Challenge to the South, is the result of 3 years intensive work by 28 people from the South acting in their individual capacities. Helpful discussions were held with very many other individuals - from Presidents to leaders of local non governmental organisations in the South; respected individuals from the North were consulted when the Commission was dealing with North-South issues. But it is the Members only who are responsible for what their Report says. They came from many different backgrounds, had different experience, ideologies and religious beliefs, yet were able to produce a unanimous Report.

The Challenge to the South discusses very many different problems, and makes many recommendations in the light of its analysis of developing countries' past efforts to develop, as well as the probable future economic and scientific environment in which they will have to operate. These are given in the different Chapters, and I will not attempt to list or justify them today. But there are five critical elements, within the context of which all other recommendations have to be considered.

First, the Commission made it clear that it regards 'development' as being - and I quote - "a process which enables human beings to realize their potential, build self-confidence, and lead lives of dignity and fulfilment". And "It is a movement away from political, economic, or social oppression".

With such a definition of development, a growing National Income is very important; without adequate income no

people, and no government, can develop on a sustainable basis at even reasonable speed. But the measurement of development must include questions of equity, basic needs including education and health, and the existence of an adequate economic, communications, and social infrastructure. Also involved is the building of a democratic and participatory political structure which can ensure stability and peace within the society.

People-centred development requires freedom for individuals and for nations, with all the rights and duties which this involves. Essential is the people's peaceful participation in decision making within their nation, together with the accountability to them of a responsive government and all its institutions. And there must be international respect for the integrity and sovereignty of their nation.

The second defining element of the Report is that (and again I quote) "The responsibility for the South's development lies in the South".

As members of the world community, the South has the right to call for world action on world problems. These include poverty and injustice in the international economic and political order, just as much as they include problems relating to the environment and the traffic in narcotics. But the countries of the South are independent nations, and freedom involves responsibilities as well as rights.

People-centred development can be facilitated by external actors and external assistance, but it is

intrinsically a process of internal growth; neither people nor nations of the South can be 'developed' from outside. They must develop by modernising through growth on the roots of their own cultures and histories. Only thus can they, on a sustainable basis, enlarge their opportunities and their well-being, or adjust to the implications everywhere of modern technology anywhere.

In undertaking the modernisation process, lessons can be learned from the experience of past efforts in the South and from the past or present of different countries in the North. But, contrary to what seems to be believed by some strong governments and international bodies with whom we must have dealings, there is no model of democracy nor any pattern of economic growth which will lead to sustainable development in the countries of the South if they only adopt it.

Nor, we also say in the Report, is it now sensible for the South to make its development decisions in the expectation of ever-increasing exports to the North, or of increased resource flows arising from a growth of income or trade in the North. The advances of science, and the new techniques of production which have followed them, mean that there is a structural decline in demand for many primary commodities. And welcome as they are in many ways, events associated with the ending of the Cold war in Europe have implications for the South. The establishment of the European Bank for Reconstruction and Development, with its capital of 13 billion U.S. Dollars, and the reduction of the Polish debt by 50%, are just two indications of this.

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The call for the building of National Self-Reliance in the South thus follows logically from a definition of development which emphasises freedom for people and for nations. It also follows from any objective survey of past development experience, including the endless series of structural adjustment plans and debt rescheduling negotiations; and it follows from trend-based expectations about the South's future economic environment. Those who are dependent upon others inevitably lose some of their power to make their own decisions: they inevitably lose some freedom.

Many countries of the South at present depend upon external forces for almost all development capital, and sometimes even for the maintenance of any semblance of a modern economy. Whatever the reasons for this - and the relative importance of different factors is a matter of some controversy - such a position of dependency cannot be changed overnight, or perhaps even quickly. But to the extent that the current dependency makes possible - which is often much further than is assumed - it is essential that all development related decisions and activities are directed at becoming more self-reliant in the future.

Building national self-reliance will not, under any circumstances, be easy. It will often demand politically difficult decisions to ensure reasonable equity during the development process. It will also demand a concentration on projects and production methods which are based on the maximum and efficient use of domestic human and natural resources.

And it certainly means that there has to be a great increase in the priority given to the development of capacities in science and technology, despite the fact that this will inevitably mean the lowering of priority for some other necessary sector.

The Commission fully recognised all these - and other - problems. Nonetheless, central to the message of its Report is the recommendation that there should be deliberate policy decision and action, by governments and by popular and business organisations, gradually to increase National Self-Reliance. It is convinced that only this strategy gives any hope for an eventual end to ever-increasing poverty and indebtedness - and therefore decreasing freedom.

Complementary to national self-reliance is the Commission's recommendation for a great expansion in South South cooperation, leading towards Collective Self-Reliance among the countries of the South.

Cooperation among the countries of the South is essential for widening the development options of each of them. For small countries especially, it is an essential corollary to national self-reliance. And it has the same meaning - the maximum and efficient use of the human and natural resources of the South for the benefit of the peoples of the South. The experience of past endeavours in this area - which since the Bandung Conference of 1955 has been a declared policy of Third World governments - indicates the potential as well as the problems of South South cooperation.

For example: joint scientific research and technology development on common problems has clear benefits for small countries of the South; but even the larger ones can gain from a broadening of their own capacity. And when sending students abroad Third World countries should first look at the opportunities in the many excellent educational institutions - including those specialising in Science and Technology - in other countries of the South. Fees are generally lower than in the North, and conditions of life and study are likely to be more directly relevant to the students' home conditions.

Again, all countries of the South can gain from an enlargement of South-South trade, whether this be organised on a bilateral basis or within regional or sub-regional arrangements. Now that major trading blocks are emerging among the developed countries, an expansion of intra-South trade is particularly important.

The Report discusses many other areas of possible South South cooperation. Among them are joint production units, arrangements for food security, and coordinated action to improve and expand means of communication between the different countries and areas of the South. All such things can lead to the strengthening of the economies of South countries, and of the South as a whole. The Report therefore urges deliberate action by governments, business, intellectuals and non-governmental organisations to promote and facilitate Collective Self-Reliance in their areas of interest and responsibility.

The problems of any inter-state cooperation are well-known. But while any one country of Western Europe is economically stronger than almost any Third World country, they see the necessity for economic cooperation in modern conditions. There can be no doubt of the need for the South also to overcome the problems. The Commission's Report therefore discusses some of the many organisational and political lessons which can be learned from the relatively limited success of past intra-South cooperation arrangements. And, together with its recognition that resource commitment in this area cannot be avoided if South South cooperation is to succeed, its recommendation is clearly stated. A higher priority, and greater political commitment, must be given to South South cooperation.

Mr. Chairman. The peoples and countries of the South are the ones who feel underdevelopment and poverty first, and most directly. But, those of the North are also affected by these things and actions which may be taken to correct them - or as a reaction against them. The Report of the South Commission is therefore relevant to the North; we hope that its analysis and all its recommendations will be studied there as well as in the South.

It is in Chapter V, however, that the Report analyses the existing state of North-South relations and the management of the international system. In doing so, it brings out uncomfortable facts about international economic and political power and how it is used. Neither the Commission, nor the

Report, is 'anti-North'; they could not be, because the South is not anti-North. But just as it calls for changes to be made in past practices of the South, so it calls for changes in the management of global affairs which require action and agreement by the North.

The countries of the South are affected by decisions taken in the North much more than those of the North by the South. Leaders in the South need daily to watch the economic management of domestic markets in industrialised countries and listen avidly to decisions of the Group of 7 and other Northern dominated instruments of international economic management. For these decisions are taken in the light of Northern interests, without consideration of their effect on the economies of the South.

The prices we in the South receive for our exports and pay for our imports - of both goods and services - are determined in the North. It is often done through the operations of the market; but it is a market largely managed by transnational corporations and operating in a macro-economic climate determined by the governments of the rich and industrialised developed countries.

During the 1980s especially, the results have been catastrophic for most parts of the South - and especially the poorest of all. Reliable calculation is impossible as regards the costs to the Third World of the collapse of commodity prices, of the debt burden, high interest rates, and transfers effected through false invoicing. They have certainly far

outweighed the value of Aid and credit availability to the South, so that even leaving out commodity price questions, the World Bank estimated a net flow from South to North of 50 billion U.S. dollars last year.

Nonetheless, events in the South do affect the people of the North. The potential effect on the world climate and other aspects of our common environment from deforestation, desertification, and polluting forms of development in the South will not stop at national borders if poverty leads to that kind of unsustainable growth. But there are many other vital common interests.

Disputes among oil producing countries of the South are of direct interest to the heavy oil consumers of the North - as we have recently seen. Poverty in the South means small effective markets for exporting countries; it is directly connected both to environmental damage and to migration whether legal or illegal. The political and social instability in the South arising from poverty and hopelessness can spill over, just as much as that caused by injustice and the absence of human rights in underdeveloped countries. It is another cause of refugees, and is not unconnected with peace and stability in the North. Its effects are seen, for example, in the production and traffic of narcotics, by interruptions in normal trade and other links, and at worst what some call freedom-fighting and others call terrorism.

The development of the South is the primary responsibility of the South. But the North cannot escape its

responsibility to assist in this process. Such assistance is necessary for the Peace and Stability of the whole world - North as well as South.

The Commission is asking that the international community should help the countries of the South to build national and collective self-reliance. It makes certain clear recommendations for urgent action by the North; none of them are new, and I do not intend to list them now. I must, however, stress that the net transfer of capital from the underdeveloped South to the developed North must be brought to an end. It is absurd, immoral, and counter-productive for the North in the long run.

And just as democracy is necessary for freedom within nations, so it is necessary that a beginning should be made in the necessary process of democratisation in the management of the international economy. The South must have an effective voice - one which makes a difference in the actions of powerful countries - on questions related to international trade, and finance. Its need for development must also be accepted as an integral part of all decision making related to environmental protection.

In this respect what the South Commission is asking of the North is that on world matters its governments should agree to sit with those of the South for discussions on the basis of respect and equity. This will require an expansion in the role of the United Nations. It will also require a recognition of the universal need to end the disgrace of

poverty and deprivation in a world of plenty, as well as the need to safeguard the environment of our common planet.

Mr. Chairman: the United Nations, with its various departments and its associated Agencies were established and have grown up because the catastrophies of the 1930s and 1940s drove home a lesson: it was that no nation or group of nations, however powerful, can shape the world in its own image, keep world peace, and safeguard even its own peace and prosperity if the rest of the world is in chaos. In recent years the impact of that lesson seems to have faded; the United Nations system, with its principles of equality and justice to all, has been downgraded as an effective actor in the world.

But the lesson is still valid, and of increasing importance as the world faces new challenges resulting from new scientific discoveries and technologies. We now understand more about the effects on all of us of actions by any of us. And the world's peoples can deal with the resultant problems and opportunities to their common benefit by applying the principles of equality and democracy internationally as well as nationally.

Mr. Chairman: I have pride in presenting the South Commission Report to you and the members of ECOSOC. It comes as a voice from the South on issues of fundamental importance to us all, everywhere.

Thank you.