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## UNITED NATIONS AND ECONOMIC AND SOCIAL DEVELOPMENT

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**T**he UN and its affiliated agencies play an important role in the promotion of international co-operation in the economic and social fields. The United Nations considered that stable peace cannot be achieved without economic and social development of all nations. Hence, much of the UN's resources are devoted to economic and social activities. Since 1960 economic and social development of the newly independent, poor countries has been the main preoccupation of the United Nations. Activities in these fields are varied, aimed at tackling problems like poverty, housing, food and disease which have both economic and social characteristics and effects.



### Objectives

After studying this lesson, you will be able to

- recall major initiatives of the United Nations for socio-economic development of developing countries;
- identify the network of UN agencies and bodies for development;
- recall the activities of various socio-economic development agencies;
- appreciate that despite obstacles, UN role goes a long way to help in the developmental needs of the backward countries.

### 32.1 Major UN Initiatives for Socio-Economic Development

Given the size and strength of their economies, countries are generally classified as either developed or developing. The developed countries are located in the North of the equator in the whole of Europe and North America. These Countries (like the United States, Canada, Great Britain, France, Germany etc.) have high per capital income, industrial

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growth, educational and health sciences, etc. They dominate the world economy. Two-thirds of three-fourths of the world's population live in developing countries. Whereas the developing countries, located in Africa, Asia and South America (the south of the globe) suffer from deprivation such as widespread poverty, illiteracy, hunger and diseases. In the developing countries three-fourth of world population lives in these 130 countries, but individual income levels are extremely low. They suffered for centuries in colonial domination. Colonial rulers did not show any interest in economic and industrial advancement of the people of these countries. They exploited the natural resources of developing countries for their economic benefit.

Starting from 1960, many of the colonies emerged as independent countries and gained membership of the United Nations. With the help of their growing majority in the United Nations they were able to create new agencies. The United Nations launched the First Development Decade. In 1960s international institutions like the UN Development Programme, UN Industrial Development Organisation, International Development Association were set up in 1960s.

At the initiative of developing countries United Nations Conference on Trade and Development (UNCTAD) was formed in 1964 to promote international trade for the benefit of developing countries. It has served the developing countries in many ways.

UNCTAD has provided significant support to efforts by developing countries to expand trade and economic cooperation among themselves at the regional and subregional levels. It has also promoted technical assistance.

In UNCTAD a group of developing countries was formed. This group now consists of 132 countries. It has represented unity and solidarity among developing countries in the negotiations on economic and trade problems with the developed countries. For example, it pressed the demand of developing countries for stable prices of primary commodities, like cotton and coffee exported to markets of advanced countries.

Also UNCTAD made efforts to ensure preferential treatment and tariff concessions in the developed countries for the items promised by the developing countries, financing of research and development activities; official development assistance for low-income countries and debt relief.

The UNCTAD and UN General Assembly went a step further and questioned the unjust international economic order. To protect the economic interests of the developing countries, the UN gave a call in 1974 for establishment of a New International Economic Order (NIEO), welded to the ideals of equity and justice for all nations, rich and poor.

NIEO was founded on the following principles, such as, participation of all countries to solve world economic problems on the basis of equality; the right of every country to adopt the economic and social system most appropriate for its own development; full permanent sovereignty of every state over its natural resources; regulation and supervision of Multinational Corporations (MNCs) operating in developing countries; just prices of raw materials and primary commodities and goods exported by developing countries; technical and financial assistance to developing countries and preferential and non-reciprocal treatment for developing countries.

The developed countries were unwilling to make radical concessions the NIEO faded from the collective deliberations and negotiations. The rich countries took advantage of

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diverse economic interests within the Group of 77, putting oil importing countries against the oil rich countries. and also least developed against the middle income countries like India and Brazil. By the end of 1970s many developing countries were facing serious balance of payments problems and were forced to turn to the International Monetary Fund (IMF) and the World Bank for loan. These institutions are controlled by rich countries. This gave them the opportunity to exercise considerable influence over economic and trade policies in the developing world.

Because of the economic crisis, the goals of the Second Development Decade achieved little compared to the first Decade. United Nations convened a series of International Conferences to discuss strategies to address economic and social development concern and plans of action were adopted. Among the most important conferences related to development are: on Environment and Development, also known as Earth Summit on Environment and Development (in 1992), Conference on Human Rights (1993), International Conference on Population and Development (1994), World Summit for Social Development (1995), World Conference on Women (1995), and the UN City Summit on Human Settlement (1997).

Besides the UN Secretaries-General also played their part in pushing the cause of economic and social development of the Third World. In 1994, the former Secretary General, Boutros Boutros-Ghali, presented a grand vision in "An Agenda for Development."

At a UN summit in 2000 the Millennium Development Goals (MDGs) were adopted. These goals include the elimination of extreme poverty, achieving universal primary education, improving maternal health and reducing child mortality. The development goals were adopted unanimously by all UN Member States and set out yardsticks for measuring development progress by 2015 by curing many of the world's ills such as poverty, lack of access to education and health services.



**Intext Questions 32.1**

*Answer the following :*

1. First Development Decade was launched by the UN in \_\_\_\_\_.
2. The first UNCTAD was held in \_\_\_\_\_.
3. The bulk of the UN's resources is devoted to economic and social development activities. (True/False)
4. The Group of 77 is a group of rich developed countries. (True/False)

**32.2 Network of UN Development Agencies**

The United Nations structure for planning, coordinating, administering and implementing its economic and social programmes is vast and decentralized.

At the apex of the structure are the General Assembly and the Economic and Social Council (ECOSOC). The General Assembly provides general direction and supervision for economic and social activities. ECOSOC concentrates solely on this work and has operated with the assistance of functional commissions. These are the Statistical Commission, Human Rights Commission, the Commission on the Status of Women, the



Commission for Social Development, the Commission on Narcotic Drugs.

There are also regional economic commissions, which focus on the problems salient to their geographical areas. Five such commissions have been established: the Economic Commission for Europe (ECE); the Economic Commission for Asia and the Pacific (ESCAP), the Economic Commission for Latin America, the Economic Commission for Africa (ECA) and the Economic Commission for Western Asia.

A number of other bodies exist in the economic and social field which are not as directly subject to ECOSOC direction or control but which are closely related to ECOSOC activities. These agencies include : (1) the United Nations Development Programme (UNDP); (2) The United Nations International Children's Emergency Fund (UNICEF); (3) The United Nations High Commissioner for Refugees (UNCR); (4) The United Nations Conference on Trade and Development (UNCTAD); (5) The United Nations Industrial Development Organization (UNIDO); (6) World Food Programme; (7) The United Nations Environment Programme (UNEP).

There are Specialized Agencies of the United Nations. Though these agencies are part of the UN system, they function independently of United Nations organs and are generally described as autonomous organizations. Each has its own headquarters, constitution, staff and budget. Each was created in the same manner as the United Nations by an international conference. Membership of these specialized agencies and membership of the United Nations is not identical. These agencies are universal in membership. States which are not UN members can be admitted as the members of the specialized agencies (see box)

Each specialized Agency is an inter-government agency and is established by international treaty or by an agreement between the agency and the United Nations. This agreement is negotiated between the agency and ECOSOC subject to approval by the General Assembly.

There are about 15 specialized agencies, which operate in affiliation with the United Nations, we shall identify and describe the activities of following UN development agencies, such as UNDP, UNICEF, the World Health Organization (WHO), the United National Educational Scientific, and Cultural Organization (UNESCO) and the World Bank.

### **32.3 Development Assistance Activities**

Established in 1965, UNDP is the leading development agency of the UN system. Developing countries are more comfortable in working with UNDP. Although UNDP can offer no finance, it helps the developing countries through training programmes, bringing technical experts to developing countries etc. In all it spent more than \$ 40 billion for various projects.

Some of the ongoing projects recently undertaken are as follows :

- Promoting gender equality is a major focus area within the UNDP country programme. UNDP Food Security Programme in India has addressed the feminization of agriculture and women's empowerment for sustainable human development.
- UNDP allocated \$1.5 million in emergency aid to Palestinian territories.
- UNDP in May 2001 announced the establishment of a new UNDP Democratic Governance Trust Fund to launch programmes in such areas as public sector reform, improving parliamentary system, conflict prevention and peace-building in the least developed countries.



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- UNDP in partnership with the Indian government initiated in July 2004 a four year project in Kutch district of the state of Gujarat (a disaster prone area) to promote productive use of renewable energy.
- UNDP supported project on 'Community Health Financing Initiative' in India as a majority of the rural and urban slum population remains outside the health care system even after 50 years of independence.
- On 23 January 2004 UNDP launched a new initiative to provide technology training in community education centres across the developing world.

### 32.4 United Nations International Children's Emergency Fund (UNICEF)

Created in 1946, UNICEF concentrates exclusively on the task of improving the lot of disadvantaged children.

UNICEF has undertaken projects on health, education, malaria eradication, nutrition, rural development, family and child welfare and emergency aid to promote child welfare. In recognition of its social and humanitarian efforts, UNICEF was awarded the Nobel Peace Prize in 1965. It focuses on India in a very big way.

UNICEF has made an important contribution to a better environment for children in India and identified the problem of excess flouride in groundwater resources. Rajasthan and Andhra Pradesh are the most severely affected states.

WHO's aims are: (i) preventing the spread of disease (ii) curing disease and (iii) preventing the outbreak of disease. The means adopted to prevent the spread of disease include Conventions providing international standards for public health. WHO's has been a clearing house for scientific knowledge and a exchange of information for curing disease. WHO's activity in the area of preventing the outbreak of disease is to facilitate the exchange of findings and promotion of research. It has encouraged research with cheap preventatives, especially vaccines for tuberculosis and DDT for malaria. The campaign against malaria has been one of WHO's biggest all-out programme. Since heterosexual transmission of the human immune deficiency virus (HIV) that causes AIDS is becoming the predominant mode of spread of HIV in most countries of the world, WHO is engaged in research for vaccine to cure AIDS for which it needs necessary financial support from rich member countries to meet the challenge of this deadly disease.

A very important WHO programme is Polio Eradication Immunization. Polio is the first disease of the 21<sup>st</sup> century to be eradicated. Another important campaign of UN health agency, WHO is against the use of tobacco especially in developing countries.

The Food and Agriculture Organisation (FAO) concentrates on rural development. This Rome based agency works for alleviation of poverty and hunger by promoting agriculture development, improved nutrition and easy access of food. The international Labour Organization (ILO) helps nations in enhancing the living and working standards of industrial workers. UN Industrial Development Organization strives for industrial development of developing countries in the era of globalization.

With the end of the Second World War, came the conviction that wars begin in the minds of men and the ignorance fosters suspicions and hatreds on which wars breed. It was felt that international collaboration could bring knowledge and greater understanding among people.

### 32.5 The World Bank Group

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Some of the programmes of the various UN agencies discussed in the previous section entail substantial financial contributions to the purpose of development. For example, an annual budget of approximately 670 million dollars for UNDP is devoted exclusively to aiding the development process. Capital is a primary component for development.

The most important financial agencies of the United Nation are the International Bank for Reconstruction and Development (IBRD) or World Bank and the International Monetary Fund (IMF). These are also called the Bretton Woods institutions as these agencies came into being in December 1945 at the Bretton Woods Conference held in New Hampshire, USA. IMF provides temporary funds to aid governments in correcting balance of payment deficits.

The World Bank group is the largest multilateral source of funds for development projects for infrastructure development. About 300 billion dollars worth of aid has been given so far for development projects.

However, the World Bank and the IMF are under severe criticism. They are dominated by rich countries. They are also not accountable to the United Nations. Their composition is not democratic. Voting in these institutions is not based on the principle of one nation one vote as in the General Assembly. There is weighted voting i.e. a member country's number of votes are as per the amount of financial contribution or shares in these bodies.

World Bank's loan falls into two broad categories. Investment loans are long-term loans aimed to create the physical and social infrastructure necessary for poverty reduction and sustainable development. World Bank loans helped developing countries to construct basic education schools. Other projects include poverty reduction, rural development, water and sanitation, natural resource management and health. Investment loans have accounted for 75 to 80 percent of all World Bank lending. Adjustment loans have become an important component of World Bank lending and are short-term loans to promote the market structures as well as political institutional reform. During the last 20 years, adjustment loans have accounted for between 20 and 25 percent of all World Bank lending.

Other important sources of multilateral financing for development include regional banks, such as the Inter-American Development Bank and the Asian Development Bank, have been major sources of development financing for hundred of projects within their respective regions.



#### Intext Questions 32.2

*Fill in the blanks :*

1. The main organs of the United Nations which take initiatives for economic and social activities are \_\_\_\_\_ and \_\_\_\_\_.
2. The headquarters of FAO is in \_\_\_\_\_.
3. The regional economic commissions in UN system are part of \_\_\_\_\_.
4. The Short name of the International Bank for Reconstruction and Development is \_\_\_\_\_.



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### 5. Mark the following as True or False:

- (i) The United Nations Development Programme (UNDP) is the main funding agency for development projects and programmes. (True/False)
- (ii) The fullform of IMF is Indian Money Fund (True/False)
- (iii) The World Bank helps the developing countries to correct balance of payments deficits. (True/False)



### What You Have Learnt

The United Nations has come up with major initiatives not only for the maintenance of international peace and security but also for the economic and social development of the developing countries. The General Assembly, the Economic and Social Council, the UN Secretariat coordinate the various activities and programmes for the promotion of economic and social development. The United Nations is the main instrument of multilateral aid for tackling development problems. Various UN development agencies such as UNDP, UNICEF, WHO, the World Bank raise and contribute funds and assist for development programmes and projects.



### Terminal Exercises

1. Describe the structure of the United Nations for the economic and social development activities.
2. What are the major initiatives of the United Nations for the promotion of economic and social development?
3. Describe the functions of the World Bank as the main UN financial agency for development.
4. Explain the working of the United Nations Development programme (UNDP).
5. Describe the role of UNICEF in promoting the welfare of children.



### Answers to Intext Questions

#### 32.1

1. 1960
2. 1964
3. True
4. False

#### 32.2

1. The General Assembly and the Economic and Social Council.
2. Rome



3. Economic and Social Council
4. World Bank
5. (i) False  
(ii) False  
(iii) False

**Hints for Terminal Exercises**

1. Refer to Section 32.1
2. Refer to Section 32.2
3. Refer to Section 32.5
4. Refer to Section 32.3
5. Refer to Section 32.4