



Resolution 681 (1978)¹

New international economic order

Parliamentary Assembly

The Assembly,

1. Having examined the report of its Committee on Economic Affairs and Development on a new international economic order ([Doc. 4148](#)) ;
2. Considering that the present world economic order is characterised by a still widening gap between rich and poor countries ;
3. Aware that the countries of the northern hemisphere owe a part of their affluence and economic growth to the countries of the southern hemisphere ;
4. Recalling that the developing countries are calling for the establishment of a new international economic order based on greater price stability for commodities, more control over indigenous resources and foreign-owned companies, better preferential treatment in trade, freer access to the industrial countries' markets and technologies, increased official development aid, measures to alleviate the debt burden and an increase in the developing countries' share of world industrial production ;
5. Believing that, in the discussions on a new international economic order, more emphasis should be laid on the achievement of social and cultural objectives and emphasising that the Council of Europe member states have a particular responsibility in this respect ;
6. Aware that the far-reaching structural changes which the world economy is currently undergoing bring about a new international division of labour, creating a world market for industrial locations and labour, increasingly resulting in structural unemployment in the traditional industrial countries and in industrialisation not necessarily to the benefit of the third world ;
7. Considering that a transitional period is necessary to permit the industrialised countries to draw up adequate adjustment strategies and measures in order to cope better with the structural changes arising from the new international division of labour ;
8. Emphasising the importance of the action initiated both by the United Nations Organisation, whose resolutions adopted at the 6th and 7th special sessions of its General Assembly defined the concept of "new international economic order", and by its specialised agencies, in particular UNCTAD and UNIDO which have set about giving that concept a specific content ;
9. Regretting that so far there has been no real breakthrough in north-south relations and that, while appreciating certain recent initiatives in favour of developing countries, including the Lomé Convention, some industrial countries are playing for time ;
10. Recognising that, in view of the relative failure of conventional development strategies which focused too one-sidedly on economic growth, a new strategy for another development is necessary arriving rather at satisfying basic human needs, both material and non-material, through self-reliance and covering not only the substance of a new international economic order, but also the concomitant changes in the internal structures of both industrialised and developing countries ;

1. Assembly debate on 4 October 1978 (17th Sitting) (see [Doc. 4148](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 4 October 1978 (17th Sitting).



11. Conscious of the fact that, in order to achieve this new international order and to cope better with domestic problems, both industrial and developing countries must be prepared to adopt alternative life-styles, including more constructive use of natural resources and the reduction of unproductive expenditure (e.g. on armaments),

12. Urges the developing countries to increase their own efforts and mobilise all their forces in a determined attempt to overcome underdevelopment ;

13. Calls on the governments of the developed countries to make an effective contribution to the negotiations on the establishment of a new international economic order by putting forward bold proposals for the discussion, in particular, of a significant improvement of the terms of trade and of an alleviation of the debt burden of developing countries ;

14. Welcomes the attainment by certain Council of Europe member states of the development aid objective of 0.7 % of their GNP and urges all member states to make a special effort to reverse the present overall trend towards a reduction of development aid in relative terms, so as to bring it closer to their objective, by changing their budgetary priorities, and to channel such increased aid into projects in the fields of training, management, research and development and into programmes carried out by developing countries in favour of the poorest section of their populations with a view to increasing their capacity to contribute to their country's development ;

15. Asks that the member states of the Council of Europe should, bearing in mind the under-development problems inside Europe, particularly in the Mediterranean area, make a co-ordinated contribution to the establishment of a new international order by encouraging :

a. with regard to trade and industrialisation :

action by UNIDO to promote more rapid, diversified and decentralised industrialisation in the developing countries, where appropriate with emphasis on the development of small and medium-sized enterprises ;

strengthening of UNIDO's role as coordinating centre for activities relevant to industry in all organisations of the United Nations family and as brains trust for all questions of development policy, strategies and projects ;

the GATT negotiations on opening frontiers more widely to products from the developing countries, by applying the "special and more favourable treatment" provided for in the Tokyo Declaration ;

easier access to the industrialised countries' capital markets by the developing countries ;

all possible means of economic co-operation among developing countries, with a view to raising their standard of living, creating larger home markets for both national products and imports and promoting new patterns of trade between them ;

the elimination of the discriminatory measures in regard to international insurance and transport which frequently hamper the developing countries' trading possibilities ;

the elimination of producer and consumer cartels - which may be weapons of economic warfare which have no place in a world characterised by community of interests - and the conclusion of commodity agreements in the context of the integrated commodity programme negotiated in UNCTAD ;

the generalisation of a world system for stabilising commodity export revenues in order to prevent catastrophic liquidity fluctuations and the chaotic evolution of development plans ;

a substantial improvement in the generalised system of preferences in favour of the developing countries ;

b. with regard to the structure of relations between developed and developing countries :

the regulation and control of the activities of multinational companies by means of international agreements, in particular in the light of Assembly [Resolution 639 \(1976\)](#) ;

the speedy elaboration in the framework of UNCTAD of a code of conduct on the transfer of technology ;

a better distribution, both among and inside countries, of goods and services, and also of the knowledge and attainments resulting from mankind's progress so as to promote social advancement simultaneously with economic development ;

recognition of the right of the developing countries to take an active part in all international negotiations through the reform of international organisations ;

the revival of the north-south dialogue with a view to making an effective contribution to the establishment of a new international social and economic order ;

a thorough examination of the system established by the Lomé Convention which, owing to its institutions in which both sides are equally represented and its scheme for the stabilisation of certain export earnings, could serve as an example for the international order of the future,

16. Invites its Committee on Economic Affairs and Development to review every two years the implementation of the new international economic and social order ;
17. With regard to demographic problems :
18. Is of the opinion that, in general, high fertility and poverty are closely correlated, and that the first cannot be reduced without a parallel rise of economic standards ;
19. Invites both developed and developing countries to formulate, in the framework of their social and economic policies, a clear population policy ;
20. Urges developing countries, and in particular densely populated low-income countries, to combine their efforts to fight poverty with an active population policy by acting on the socio-economic determinants of fertility, inter alia by improving the status of women socially, educationally, economically and politically ;
21. Calls on all developing countries to give greater priority to rural development with a view to limiting the drift to town and the mass concentration of population in urban ghettos ;
22. Invites its Committee on Population and Refugees to review periodically world demographic trends with particular reference to problems of economic development.