Reports and Papers

The John W. Holmes Memorial Lecture

Victor L. Urga

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CHALLENGES OF THE WORLD ECONOMY
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by the Government of Spain.

Victor L. Urgal obtained his early training as an economist at the London School of Economics and has pursued a career as a university scholar in numerous publications on economic, environmental, and international issues.

ABOUT THE AUTHOR
In practice, the international monetary order of the Bretton Woods and the post-war international monetary order were initially shaped by the experience and cooperation needed for human rights, but social programs, cooperation in the cultural and educational spheres, and cooperation in the international economic and social problems, were the key to the success of the World Bank and the IMF.

Although international economic cooperation has not been successful, it has played an important role in the development of the Bretton Woods system, which has been a beacon of hope for many in the global community. The Bretton Woods system was an attempt to create a stable and predictable international monetary system, which was crucial for the development of the world economy.

A similar pattern was observed in the post-war period, where the International Monetary Fund (IMF) and the World Bank played a crucial role in stabilizing the world economy. The IMF and the World Bank were created to help countries adjust to the challenges of the post-war period and to promote economic stability and growth.

In summary, the experience of the Bretton Woods system and the post-war period shows that international cooperation and economic stability are crucial for the development of the world economy. The challenges faced in the post-war period were similar to those faced today, and the lessons learned in the past can be applied to address the current challenges.
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During all this period, the UN system entertained itself with the Development Decades and the notion of the New International Economic Order (NIEO), which was not supported by the industrialized countries. In addition, some targets that had been accepted for international development assistance, notably the 0.7% of GDP transfer, were not met and enormous disenchantment set in concerning the development efforts of the less favored countries. Many great opportunities were missed. An example was the failure of the Vienna Conference of 1979 to deal with the transfer of science and technology through international cooperation. On the positive side, only some results of the 1972 Stockholm Conference on Environment and of the 1974 Bucharest Conference on Population can be chalked up as having been beneficial.

The oil shocks of the 1970s, besides putting some of the industrialized countries into disarray, led to a clear weakening of the resolve of the developing countries to concentrate on their development issues. A few net oil exporters believed they could attain instant industrialization no matter what the cost, and their interests began to differ significantly from those of the net oil importers that had to seek short-term loans to pay for oil and keep their economies going. Solidarity and cooperation among developing countries tended to decline and did not revive later when the external debt problem of the 1980s plunged most of them into long-term recession and a suspension of domestic and foreign investments for development. The few who were spared, notably in Southeast Asia, looked out for their own interests and, incidentally, did extremely well for themselves.

The UN system has been unable, despite certain well-known resolutions of the General Assembly in the past few years, to deal with the problem of external indebtedness and its implications for the over-indebted countries in the developing world and for the creditor countries themselves. The external debt burden cannot, unfortunately, be dealt with by mere rhetoric and exhortations. Even the independent agencies of the UN system, the World Bank and the IMF, largely missed the boat since they did not have enough leverage with the creditor countries to influence their policies or to obtain timely replenishments of capital funds. But, worse still, the Group of Seven (G-7) has not come to grips with the external debt burden problem of the developing countries.

The essence of the problem, so clearly foreseen by Keynes at the time of German reparations in the early 1920s, is that for debt to be repaid -- and, one should add today, for high interest payments to be transferred -- to the creditors, the debtors must develop a sufficiently large export surplus. The extent of this necessary surplus has been, of course, constrained by many factors, among them the restrictive trade policies of the creditor countries themselves, and the collapse of world markets for basic products. To the extent that debt rescheduling enabled some countries to postpone payments of capital, the remaining burden of paying interest out of limited or shrinking export proceeds was still a no-win situation for both parties. Many countries went into default, which made them ineligible for new loans or other forms of financial assistance. Others kept on meeting their interest payments at the expense of growth and development. What came to be termed the "reverse transfer", that is, the net out-transfer of financial resources from the developing to the industrialized countries, was the equivalent of reparations payments as if a war had been lost. In fact, the war on poverty, the great struggle for development, had to be given up. And the more the debtor countries went into adjustment processes -- judged in any event
policy makers and parties oppose opinion; but in the

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...some of the headless population or other areas.

...whether in food and agriculture, education, health-in

world bank and the IMF but as the so-called

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countries concerned, their traditional affiliations during the Cold War must be replaced by new forms of cooperation. The need for economic integration and the development of new sources of income and employment will require increased investment in education and training, as well as closer cooperation with the developed world. The EU's policies in this area are likely to have a positive impact on the economies of the developing countries.

In conclusion, it is clear that the future of the UN system is tied to the success of its member states in addressing the challenges of the twenty-first century. The UN's role in global affairs is crucial, and its ability to adapt to changing political and economic conditions will be essential to its continued relevance.

Therefore, it is imperative that the UN system continues to evolve and adapt to the changing needs of its member states and the international community. The UN member states must work together to ensure that the UN system remains a forum for cooperation and dialogue, and that it continues to serve the needs of all nations.

In the end, the success of the UN system will depend on the willingness of its member states to work together towards a common goal. It is only through cooperation and unity that the UN system can continue to be a force for peace, prosperity, and development around the world.
all nations.

at the regional level. This is the major challenge facing
producers to implement, on a global scale as well as
their long-term implications and the possible
and organizations to decide whether
prices and knowledge is now available to enable
to improve, and hope for the worst, however. Sur-
s in the social arena will probably lead to a change
economic and environmental spheres and much
in The more force of potentially catastrophic events in

accepted.

through the 80s. The UN system or, if not be
so-called "new international order" will have to run
the United Nations and its system, with its failings.
resignation of the General Assembly and
that of the Security Council, its ability to
putting excessive reliance on the value of this or
and putting excessive reliance on the value of this or
are of the past. The regional representatives of the
the phrase "inclusive and efficient", where one would
become more active and effective, where one would
their role. One would like to see the UN system
These are some of the issues in which, because of

The regional possibilities should not be set aside
non-peaceful. The immediate advantage of export-
there would be a risk of setting up closed regional eco-
economic and political strategies and their cultural
and approximations to certain markets, their regional