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THE REGIONAL PACKAGING CENTRE FOR THE ARAB COUNTRIES
IN THE LIGHT OF THE NEW INTERNATIONAL ECONOMIC ORDER *

by

UNIDO Secretariat

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Introduction

If we are to have a clear notion of what a Packaging Centre for the region of the Arab countries should really be like in order to conform to the principles of the new international economic order, we must begin with an analysis of the United Nations, and in particular of the United Nations Industrial Development Organization (UNIDO) and the new international economic order as called for by a resolution of the United Nations General Assembly. It will be appropriate to recall a number of basic propositions and guiding principles of the Lima Declaration and Plan of Action adopted at UNIDO's Second General Conference in Lima in March 1975.

Having done this, we shall be able to consider the role of the Regional Packaging Centre for the Arab Countries and the means which it must have at its disposal in order to perform its functions, after which we shall touch very briefly on a number of different suggestions for establishing this institution.

These suggestions, together with the conclusions and recommendations of the other papers being presented at this meeting, will provide material for the closing discussions of the meeting leading to a decision on the Centre and a possible definitive programme of action for it.

The United Nations: The reasons for its founding and its objectives

As a consequence of the catastrophic aspects of the two world wars endured by mankind during the first half of this century, a group of countries agreed to found an international organization at the governmental level dedicated to ensuring that future generations would be spared the scourge of war. In 1945, delegates of the Governments of 45 countries signed the "United Nations Charter", which has undergone several amendments since then, but whose goals remain the same: the maintenance of world peace and security, the development of friendly relations between nations, international co-operation for the solution of international problems of an economic, social, intellectual or humanitarian nature, and finally - one of the most important points - the Organization's own determination to make of itself a centre for harmonizing the efforts of the nations towards the aforementioned objectives.

During the ensuing years, the number of member countries of the United Nations has increased to such an extent that one must now recognise peace as a truly universal ideal of mankind. And because peace and war are merely states in relations between countries arising out of extreme situations involving many different factors, the United Nations has had to deal with a very wide range of problems, going beyond the momentary state of those relations.

Origin and purpose of UNIDO

Respect and justice are among the essential conditions for peace. They are the basis for harmony between peoples, a condition conducive to the easy resolution of problems that may arise between nations. But mankind is always true to its essential nature, and the ceaseless striving for a better habitat and better general living conditions may be accounted part of its nature.

Permanent development is a characteristic of regions inhabited by man, and human communities also develop more or less continuously. The state of development, however, differs from one region to another, and the communities living in the different regions are at quite dissimilar levels of development.

Taking into account the problems of achieving balance in a world society so constituted, the United Nations Charter devotes Chapter IX to the subject of economic and social co-operation, beginning with the words: "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations..."

In 1951, the General Assembly of the United Nations adopted resolution 521 (VI), which requests the Economic and Social Council to promote studies on a programme of rapid industrialization for the developing countries and on the role the industrially advanced and developing countries should play in such a programme.

On 1 January 1967 UNIDO came into being as an autonomous organization with the objective of promoting industrial development in accordance with the Charter of the United Nations. It was the successor to the Centre for Industrial Development, which had been established in 1961 but was still integrated with the United Nations Secretariat. UNIDO's establishment marked a change from a purely consultative approach to a programme of integrated industrial development, backed up by teams of experts in the field. The new policy was to carry out activities in line with the requests of the Governments of the countries concerned.

Establishment of a new international economic order

For centuries international economic relations have been founded on conditions established on the basis of expediency and more or less empirical and traditional provisions, wherein the relative economic strength of each of the parties to the exchange has had what might be regarded as a decisive influence. The dominant trend arising out of this situation has been towards an increasing economic

imbalance between countries. From the standpoint of development, recent evidence points to a continuing and persistent aggravation of the imbalance between the developed and the developing countries.

The General Assembly of the United Nations, in a resolution adopted in May 1974, called for the establishment of a new international economic order based on equity, sovereign equality, interdependence and co-operation, and having as its immediate objective the transformation of the existing structure of economic relations between countries. The measures approved by the Assembly were concerned with raw materials and primary commodities, the international monetary system, industrialization, the transfer of technology, etc. These measures also covered the promotion of co-operation among developing countries and the strengthening of the role of the United Nations system in the field of international economic co-operation.

A Charter of Economic Rights and Duties of States was also adopted by the General Assembly in December 1974, its purpose being to rationalize international economic relations and to contribute to the establishment of the new international economic order.

The Lima Declaration and Plan of Action, adopted by the Second General Conference of UNIDO

UNIDO held its Second General Conference in Lima, Peru, in March 1975. This conference was specifically "entrusted with establishing the main principles of industrialization and defining the means by which the international community as a whole might take action of a broad nature in the field of industrial development within the framework of new forms of international co-operation, with a view to the establishment of a new international economic order."

The points of departure for the Lima Declaration included, for example, the fact that while the developing countries accounted for 70 per cent of the world's population, together they turned out no more than 7 per cent of the world's industrial production, and that, taking into account the rates of growth of industrial production in the developed and developing countries, the gap separating the two groups was widening. Other considerations were the observable trend on the part of the developed nations towards reducing their voluntary economic and social development assistance to the developing countries, and the general conviction that a new international economic order could not be established without equitable participation by the developing countries in the production and exchange of goods and services.

Regarding the content of the Declaration proper, attention should be drawn to the setting of 25 per cent as the target figure for the developing countries' share of world industrial production by the year 2000. Among the conditions indispensable for the achievement of this objective, the Declaration mentioned the raising of the cultural level of the population, the programming of industrial production to meet needs, planning, and an integrated, multisectoral approach to industrial production as a whole. Reference was also made to the development of basic industries and agro-industries, the formation of associations of exporters and the strengthening of such associations, the establishment and expansion of research institutions, and training programmes at all levels for the personnel of enterprises.

The Lima Plan of Action was concerned with measures of national scope, co-operation among developing countries and co-operation between developing and developed countries.

It also gave particular consideration to the situation of the least developed, land-locked and island developing countries, and to institutional arrangements within the United Nations system for the rationalization of industrial development activities, and stressed the need for general acceptance of the precepts contained in the Charter of Economic Rights and Duties of States, on the basis of equity, equality, sovereignty, and the interdependence of the interests of the developed and the developing countries.

Role of the Regional Packaging Centre for the Arab Countries

The Regional Packaging Centre for the Arab Countries will be able to make a major contribution to this region by promoting the integrated development of the packaging industry and other related industries, and by increasing the economic impact of packaging on almost all areas of production, dependent on the most effective possible application of packaging in its many functions of safeguarding merchandise, expanding markets, and contributing to direct sales promotion.

In accordance with the Lima Declaration and Plan of Action, whose long-term objective is the establishment of a new international economic order, the region of the Arab countries must give priority to using raw materials obtained from the region itself or from neighbouring regions that are also in the process of developing. These materials must be adapted so as to satisfy the region's packaging material requirements as effectively as possible, relying as far as possible, for their processing, on regional sites, personnel, equipment and energy.

The definitive programme for the packaging sector should be based on a general plan for the integrated multisectoral development of industry in the Arab countries. However, the consideration, preparation and adjustment of this kind of integrated development plan is dependent on the existence of a number of sectoral plans affording maximum flexibility so as to facilitate the establishment and maintenance of an integrated approach.

The packaging industry, relying as it does on a technology developed only a very few decades ago, represents one of the most backward sectors in the economies of the developing countries. In keeping with the Lima Plan of Action, each country should, as soon as possible, establish information and research institutes to support industry, as well as producers' associations for products intended for export. The packaging institutes or centres which are being organized in many countries can perform this double role of information and research institute and producers' association at the national level.

On the other hand, the Lima Declaration and Plan of Action calls for integrated regional development as an important condition for enabling the developing world to break down the traditional barriers and start down the path towards a balanced international economy within an acceptable period of time. The Regional Packaging Centre might also become in a figurative sense, the centre for the co-ordination of all activities on behalf of the integrated development of the region's packaging industries, and for co-operation by the packaging sector in promoting the integrated multisectoral development of the industries of the Arab countries as a whole.

The basic decisions on such matters as location, financing, administration and operation, on which the effective planning and programming of this regional centre depend, can be made at the present meeting.

Contributions could also be proposed by each Arab country, to be the subject of an official commitment as soon as possible, in order that work on the Centre may be begun without delay. It will thus be able to share, in an active and timely way, in the contribution which it is hoped this region will make towards the goal of a 25 per cent share for the developing world in world industrial production by the year 2000, as envisaged in the Lima Declaration and Plan of Action.

As a first approach to the question of the kind of model to propose for the Centre, the Centre's role in promoting the industrial development of the region might be discussed, leaving for later the question of its work in supporting and

co-ordinating the more or less routine activities of the national packaging institutes or centres in the Arab countries. This aspect of the problem will be covered in one of the studies submitted by the international experts attending this meeting.

Functions of the Regional Packaging Centre for the Arab Countries as they relate directly to the Lima Plan of Action

1. Identification and periodic review of the region's requirements (consumption forecasts) for packaging materials over the short, medium and long term.

The time factor is one of the key considerations in raising the level of industrial production in the developing countries, since for their part the developed countries are continuing to develop all the time. There must be faster progress if one really wishes to establish a new international economic order, based on justice and peace.

Everything that is produced may be regarded as being part of a universal patrimony. Everything that adds value to any material or article, by transforming it so that society obtains greater value from its use, also increases that same patrimony. A trend towards more evenly distributed contributions by all countries to this universal patrimony will not in isolation lead to the establishment of the new international economic order, but it will exert a major influence.

The fact is that industry cannot function without obeying economic principles, and good industrial management will be indispensable to the kind of development we are discussing. And good industrial management can never be achieved without reliable forecasting.

The development of the region of the Arab countries in the packaging industries sector, or in direct relation to it, demands planning. One must know with sufficient accuracy what is worth producing, and in what quantities, over the short, medium and long term. May we propose that the Regional Packaging Centre should be the regional agency with responsibility for this function, in co-operation with international experts in the appropriate fields?

2. Feasibility study of the regional production of the maximum possible number of the packaging materials required over the short, medium and long term, using regionally available raw materials.

This study should be based on the results of prior forecasts, a thorough knowledge of the raw materials of the region, and an understanding of the technologies required to process them in the most effective manner. It will be necessary to call in top-level international experts to work together with the group of Arab technicians and economists to be formed to prepare this study.

Because of the work involved in following up these results and keeping them up to date, the Arab team must not be completely disbanded after this study has been carried out. Would not the Regional Packaging Centre be the most suitable organization for bringing together these specialists as a permanent staff?

3. Studies and interregional agreements on the purchase of scarce packaging materials, preferably from nearby developing regions, or the shared production of such materials.

The scope of the decisions to be taken in this area will exceed the competence of the Regional Centre which we are considering; however, the preparation of preliminary studies and the preliminary examination of matters of concern for review at the regional level and interregional discussion, as well as the continuing study of general technical, economic, commercial and financial questions, will require the constant attention of an institution on the lines we are considering.

4. Active participation in the preparation of feasibility studies on the establishment in the region of basic industries of interest to the packaging sector.

The creation of such basic industries as the iron and steel, metallurgical and petrochemicals industries is one of the most decisive of the factors that will contribute to the development of the developing countries. These industries have an impact on virtually all the others, and it is impossible to speak of industrial development without placing them in the forefront.

Planning for these industries, whether it involves the establishment of new facilities or the expansion of existing facilities, like any kind of industrial planning, requires knowledge of expected consumption figures. The packaging sector will never be the largest consumer of the basic products turned out by these industries, but a more or less accurate knowledge of our sector's short-term, medium-term and long-term requirements will be useful not only as a direct guide, but also as an indirect indicator of consumption in certain other sectors.

Many countries continue to lack any statistical information, and in many others it is inadequate or unreliable. However, the calculation systems based on extrapolation that are required for industrial planning have need of the solid data base that good statistical data can supply.

The packaging sector in the region of the Arab countries already requires statistical data which are as accurate as possible, and this requirement will be even greater in the future. Why not include, therefore, this essential service among the functions of the Regional Packaging Centre for the Arab Countries?

5. Continuing efforts to keep abreast of packaging and related technologies, and a consultation and co-ordination service to assist in securing the most favourable conditions for the purchase of licenses, equipment, etc., for the Arab countries.

By raising the standards of vocational training at all levels of industrial enterprise operation it will be possible to achieve a greater qualitative and quantitative production capacity together with greater regularity and reliability in manufacturing processes. All this means more economic operation, a better basis for competitiveness in international markets, and faster progress in industrial development.

In the Arab region, the Regional Packaging Centre could become the focal point for measures to provide suitable conditions for the transfer of technology, whether through UNIDO or other international agencies or institutions, from developed nations or from developing countries more advanced in certain areas.

In addition, the Centre could co-ordinate arrangements for specialized courses, conferences and seminars so that most of these events organized in particular countries of the region can be made open to the whole region.

Basic operational resources of the Regional Packaging Centre

Very probably, the most important asset which the Centre must have is a permanent staff of high competence - particularly as regards technicians and economists - made up of experts from all the Arab countries. Once the initial numbers have been decided on and an appropriate organizational chart has been drawn up, it will be possible to propose an agreement regarding each country's participation in the staffing, financing and management of the Centre.

It is clear that one cannot expect that the Centre will be staffed by the Arab countries' most highly qualified experts, who, for numerous reasons, will continue to be employed by enterprises or other private or official organizations. Accordingly, there will always be a need for a higher technical council, also including experts from all the Arab countries, who in addition will be authorized to represent their respective countries during the discussions. This would be an arrangement very much like the packaging committees of the Industrial Development Centre for the Arab States (IDCAS), which could be adapted in the manner thought best.

This higher technical council, however, will not have time to deal with day-to-day operations. Nor can the operation of the Centre be made dependent on the free time of experts with other professional responsibilities. It is for this reason that the idea must be accepted that the Centre will need a permanent full-time staff of technicians and economists with qualifications in keeping with the production standards to be achieved.

CONCLUSION

We are now about at the point when we shall have to begin the discussions to decide on a number of fundamental questions regarding the Regional Packaging Centre for the Arab Countries. This will require considering the particular aspects of the project within its frame of reference, discussing the role it is to play, on the basis of the means that can be placed at its disposal.

At this point we are faced with two main questions: the question of the final structural and operational form to be given to the Centre, and the question of a practical and gradual programme to move towards this form.

To help answer the first of these questions, we undoubtedly already have a number of ideas, based more or less on the opinions of the experts present here. It must be borne in mind, however, that if the Centre is to be established within the region it will be located in one of the countries concerned. On the principle that - for reasons including the geography of the region - this institution cannot function as a substitute for the national centres or institutes, consideration will have to be given to the advantages to be gained by making use of the facilities of the centre or institute already operating in the host country, in such areas as installation management, laboratory facilities, etc.

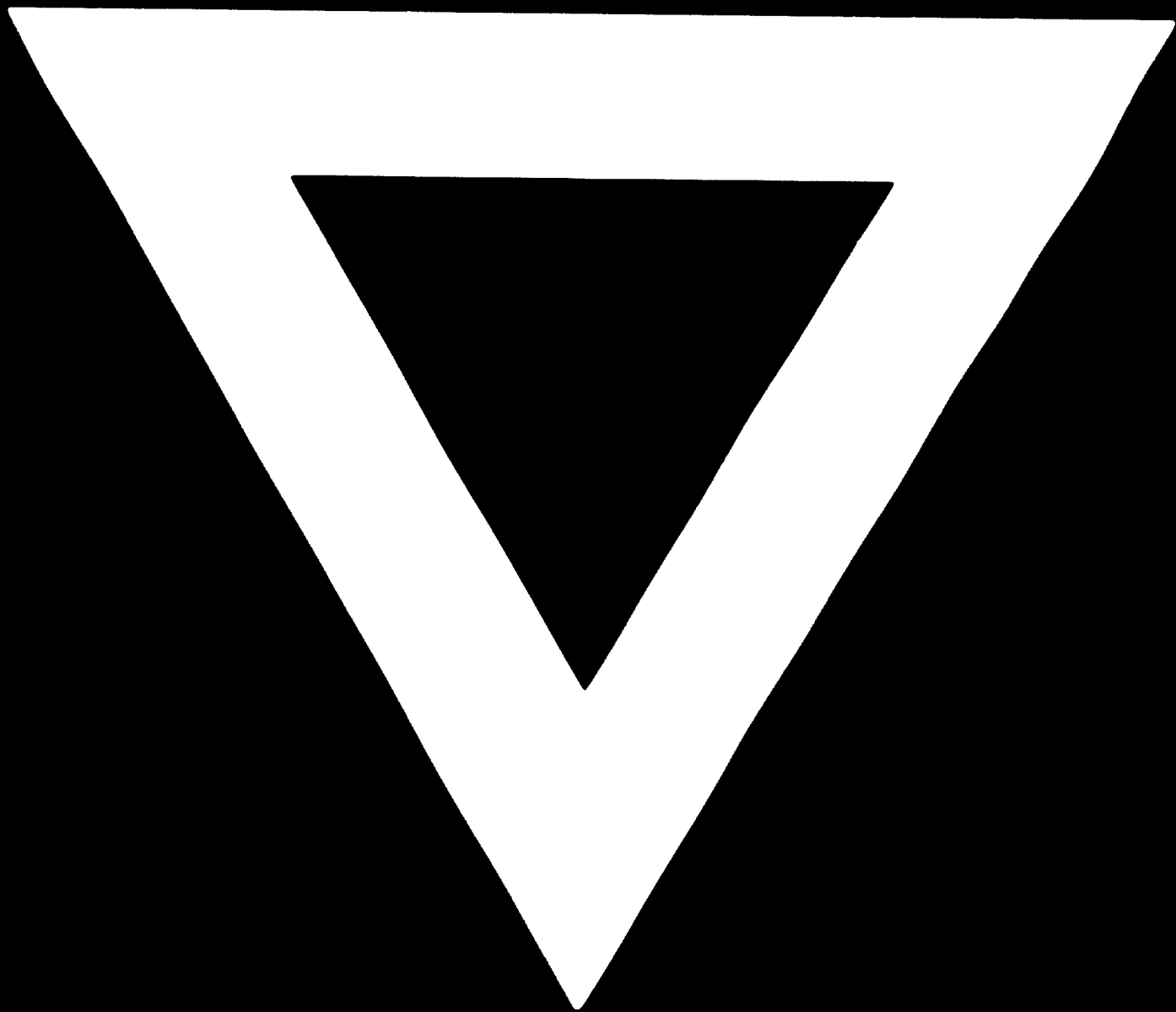
In considering the second question, concerning a step-by-step programme for setting up the Centre, the time factor must be kept in view. We have already noted that the establishment of a new international economic order requires that all countries share more equitably in the world production of goods and services. This implies a more even universal level of development, a faster rate of industrial growth in the developing than in the developed countries, and, in the particular case in question, an urgent need for the Regional Packaging Centre for the Arab Countries to actually begin operations.

Distinguished delegates, your participation at this meeting is a testimony to the importance your countries ascribe to regional co-operation. The adoption of appropriate decisions will be an indicator of the chances of success in such co-operation.

On behalf of UNIDO, I wish you all the best. Thank you for your presence and for your attention.



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