

STATEMENT BY HIS EXCELLENCY MR. CLEMENT ROHEE, MINISTER OF FOREIGN AFFAIRS, REPUBLIC OF GUYANA, ON THE OCCASION OF THE TURN-OVER OF THE CHAIRMANSHIP OF THE GROUP OF 77 AND CHINA FOR 1999 (New York, 12 January 1999)

Your Excellency Mr. Ali Alatas, Foreign minister of Indonesia
Fellow Ministers, Mr. Secretary General, Mr. Administrator,
Excellencies, Distinguished Delegates,

At the start of this New Year 1999, the thirty-fifth anniversary of our Group's founding, I hasten to extend to you all, on behalf of the Government and people of Guyana, our warmest greetings and good wishes. May I also add our sincere congratulations to Dr. Eduardo Praselj, Chairman of the Committee of Experts of the Perez Guerrero Trust Fund on the award of the UNDP/G-77 award for TCDC/ECDC. The Fund continues to be a valuable source of assistance to our developing countries.

As Guyana assumes the Chairmanship of the Group of 77 and China for this year we cannot help but feel a deep sense of pride and at the same time of humility. We are proud of course that the Group which comprises the majority of the world's nations, has entrusted us with the task of presiding over its deliberations as we prepare to enter the third millennium. And yet, we are humbled by the enormity of the task before us.

In taking up the challenge we cannot be but inspired by the success achieved by the outgoing Chairman, our sister state Indonesia in leading us through the uncertainties and difficulties of the past year to a more hopeful juncture in time. Indonesia's sustained commitment to advancing the cause of developing countries is well-known. Minister Ali Alatas has been an eloquent and indefatigable spokesman on development throughout his long career and is fully deserving of our gratitude and praise. Our sincere appreciation and thanks are also due to Ambassador Makarim Wibisono and his devoted team for their hard work and unfailing coordination during their tenure of office. We intend to cooperate closely with Indonesia and indeed with all members of the Group to maximise our progress in the next twelve months.

The presence in our midst today of the distinguished Secretary General of the United Nations, Mr. Kofi Annan and of our dedicated Administrator of UNDP Mr. James Gustave Speth is especially heartening since it symbolises, we believe, the common purpose of all in the United Nations system, both member states and the Secretariat to promote the welfare of the world's peoples so that they may live - to quote the words of the Charter, "in larger freedom." I would wish on this occasion to acknowledge the invaluable cooperation which the Department of Economic and Social Affairs and the UN Development Programme continue to provide our Group. UNDP's Special Unit for Technical Cooperation among Developing Countries has consistently supported the aspirations of our membership and remains an important ally to our cause.

Excellencies, distinguished delegates,

The *raison d'être* of the Group of 77 and China - the largest association of developing countries in the world today - has at no time been more patently vindicated than now, at the dawn of a new era, when the priorities of the South continue to be subsumed by the imperatives of the North. The dialogue between the North and the South has fallen silent for some time now, and international development issues have been all but eliminated from multilateral negotiating agendas. The global economic outlook is at best bleak. Three and a half decades into our existence as a deliberative group, the G77 countries remain on the periphery of policy and decision making in the global economic system. As globalization has taken hold, and its philosophy has taken root, the South has lost ground in the global arena, not only in economic terms, but equally in the placement of its priorities on multilateral negotiating agendas.

We are persuaded that the United Nations organization is the premier forum in which to negotiate

international development cooperation. In this democratically representative body, developing countries have an equal voice at the table, and especially here, are allowed an opportunity to impact on decision making on issues of development it is moreover because of its inherently equitable representation, and because of our numerical strength in this house, that we believe that the United Nations should be empowered to reclaim its negotiating role on all aspects of development, particularly on global economic policy and management, where its influence has been increasingly circumscribed over the years.

The G-77 and China are thus firmly committed to strengthening the capacity of the United Nations to defend and satisfy the development needs of its membership, and to equip it both financially and technologically to execute its pivotal leadership role in the negotiation of economic and development policies and in the management of international development cooperation. On behalf of the Group I wish to commend the efforts of the Secretary General of the United Nations, H.E. Mr. Kofi Annan, to renew and revitalize the Organization through focused reforms which can conceptually return development issues to high priority on the multilateral negotiating agenda. I wish to assure him that our Group will continue to work with him to make our Organisation more responsive to the prevailing needs of its membership.

As we survey the international economic horizon, globalization and liberalization appear as the main beacons for global development. Experience has taught us however, that these instruments cannot be relied upon by the majority of the developing countries for safe passage into the global economy. Indeed, the best efforts of the countries of the South to apply the globalization prescriptive and to liberalize their domestic economies by opening them to powerful market forces, have brought for most unprecedented economic crises. We have witnessed staggering increases in income disparities at home, and uneven development leading to a widening of the gap between rich and poor countries, between the North and the South. Globalization has thus heightened the vulnerabilities of the economies of the South, while eroding countervailing mechanisms which seek to mitigate its adverse effects.

A most disturbing consequence is a further spread of poverty as many countries seek desperately and far too often unsuccessfully, to grasp the nettle of globalization. Small and weak economies which form the main constituency of the South are hard put to cope with the overwhelming forces of market liberalization. Faced with increasing marginalization in world trade and development, they find little comfort in the bland assurances given by the developed countries that they will, in the end, prosper. Denied sufficient participation in the global economy and reduced to receiving token assistance, they can hardly expect to defeat poverty and experience equitable economic growth. To do so, developing countries must be given the traditional tools viz. financial assistance, debt relief, improved infrastructure, sufficient levels of investment, appropriate technology and guaranteed access to markets. Only in this way will they have any hope of becoming participants - instead of mere spectators - in the global market place.

Admittedly the international economic system holds the potential for success in accelerating economic growth and the countries of East and South East Asia were, for a time, examples of such success. However, there is no doubt today that the system is severely flawed and that it holds as much risk for devastating failure. The recent financial turmoil in East and South East Asia has brutally demonstrated the system's incapacity to safeguard against currency speculation and the destabilizing cross-border movement of massive amounts of capital with all of the swiftness allowed by today's technology. The contagion effects of the financial and now economic crises of this once prospering region have resulted in a threatened global economic recession. There are obvious lessons to be learnt and preventive measures to be taken. It is necessary to carry out a systematic review of the mechanisms of the international monetary system and its management of global capital and investment with a view to modifying what exists and if warranted, creating new structures which better serve current global needs.

The debate on the reform of the Multilateral Financial Institutions has become increasingly resonant since the disastrous response of the Bretton Woods institutions to the Asian financial crisis. There is now an ever

growing consensus on the need to create a new financial architecture, to retool existing institutions for anticipatory and preventive action in order to preserve and build upon the gains of past economic progress and thus contribute to the realization of genuine human development. Our aim should be the democratization of the International institutions so that they might better defend the Interests of all their clients. We must begin to engage, along with the industrialised countries, in a profound examination of issues related to the reform of the International monetary and financial system. Effectively, developing countries must negotiate for an international monetary and financial environment which facilitates the development priorities of the South.

Our preparations for an international conference on financing for development have proceeded apace during the fifty-second regular session of the United Nations General Assembly. We must continue to elaborate a common position on this vital issue. Official Development Assistance (ODA), which has taken a discouraging and debilitating downturn in recent years, remains a matter of priority. One of our most compelling tasks is to renew the dialogue with our donor partners in the North for a return to the internationally negotiated ODA target. Additionally, we must sustain the dialogue on the endemic external debt problem of the developing countries, in particular of the HIPC (Heavily Indebted Poor Countries). Measures taken thus far to alleviate these crushing debt burdens, have been useful but inadequate in providing the measure and nature of relief required. We urge our partners in the developed countries to turn to more comprehensive debt reduction solutions which could release additional financial resources for development.

The quest of the South for a more enabling global environment in which to pursue development, would be better served by a more equitable multilateral trading system. Accordingly, we must strive for a more open and rule-based trade regime, and for trade liberalization which expands and levels the playing field, and creates conditions for fair trade. Within the context of the World Trade Organization, issues such as market access, particularly for LDCs, provisions for special and differential treatment for developing countries and international commodity policy must remain high on the priority agenda of the South. It is also crucial that we unify our positions and organize our negotiating expertise in order to impact on multilateral trade negotiations as they unfold.

High on our 1999 Agenda must also be the follow-up on the major Conferences held during the past quinquennium on issues relating to social development, women, the global habitat, population and development and the environment. Experience has shown that the agreements reached at these summit meetings are yet to bear full fruit. These disappointing yields have been largely due to grossly inadequate financing and equally disappointing technical transfers. A frank analysis of these short-comings together with renewed political will to remedy them can yet put these outcomes back on track. The mid-term review of the SIDS Conference and the Barbados Action Programme scheduled to take place this year offers a fresh opportunity to satisfy the aspirations of a group of states which is especially vulnerable to economic adversity. We must work to ensure the success of that review.

As our Group intensifies its pursuit of international development cooperation through multilateral negotiations, and effectively renews its dialogue with the North, we cannot lose sight of the need to fortify our positions through broader and more consistent South-South cooperation. In addition to capitalizing on the complementarities in the economies of developing countries, we stand to benefit from cooperation in other areas such as information and communication and science and technology. We believe that between developing countries there is a great need for an increase in exchanges at the institutional level. In this regard, we are pleased with the success of the Bali Meeting on Regional and subregional Economic Cooperation.

The Declaration and Programme of Action which have come out of that meeting provide an updated and useful road map for pursuing dynamic and effective South-South Cooperation. The South Summit which is scheduled to be held in the year 2000 in Havana, Cuba will undoubtedly provide a major political impetus in

this direction. To guarantee the successful outcome of the Summit we intend as Chairman of the Group to consult widely with the membership so that together we may collectively determine our priority agenda for this historic meeting. It is vitally important that we make maximum use of this opportunity to translate into reality our long cherished hopes for greater practical cooperation among our countries.

Excellencies, Distinguished Delegates,

Admittedly, the challenges of the new millennium will be no less daunting than those of the past. We therefore cannot fall to prepare ourselves for the work at hand. At the outset, we must seek higher ground from which we can more clearly see our options and plan strategically to grasp them. If we pursue a pragmatic and positive agenda, negotiate with tenacity and optimism, and collectively stay the course, we can look with confidence to the year ahead. Our overarching aim should be to strengthen the concept of a partnership upon which to build more enlightened cooperation between the North and the South. This task requires a conscious decision by all parties to eschew the sterile confrontation of the past and engage in a fresh dialogue based on mutual respect, common advantage and joint endeavour.

In the year ahead, we must also strengthen our cooperation with the Non Aligned movement through the established mechanism of the Joint Consultative Committee to reinforce our representation on all issues of common interest and concern. As made clear at the Durban Summit, the Movement's orientation is increasingly towards economic and social progress. As part of this strategic alliance, we must seek to regularise and institutionalise the consultations which the Chairman of our Group and the Movement now hold with the leaders of the G8 on the margins of their annual Summit meeting. Such high-level meetings, if properly conceived and structured, can do much to remove the frequent log-jams which continue to hinder our negotiations. At the same time we must reach out to development supportive institutions such as UNCTAD, UNIDO and the South Centre in order to buttress our positions.

As we have already noted the prospects for advancement currently seem dismal. Nonetheless, there have been recent auguries for the better. The peoples of the world are making their voices increasingly heard in support of multilateralism and enhanced international cooperation. Governments everywhere cannot fail to heed their wishes and work in this direction. The walls of suspicion and distrust which have historically divided the developed and developing nations must now come down to allow for more enlightened relations. Through civil and constructive discourse, the dialogue should begin on the building of a solid partnership for the development of all peoples.

As with all working partnerships, it should be possible, after due consultation and negotiation, to define both the rights and obligations of the parties involved and thus place their cooperation on a firmer and more predictable footing. Such a clear definition of the articles of partnership would help to avoid useless recrimination by creating a climate of common purpose and goodwill. The time has therefore come to go beyond vague declarations of intent to erect a modern edifice of international cooperation. The current economic realities require us, as developing countries, to develop a clear vision and strategy for achieving our goals.

As we celebrate this the thirty-fifth Anniversary year of our Group's existence, we are challenged not only to consolidate our past gains, but also to generate new initiatives which respond to a global environment in constant transition. Convinced that the Group's greatest strength derives from its unity and cohesion, we intend as your elected Chairman to work intensely for the building of consensus on a common agenda which serves our members in the widest and most inclusive sense. Simultaneously, we will seek to structure a positive dialogue and partnership with developed countries, in our pursuit of international development cooperation through multilateral negotiations. These are no mean challenges and they can only be met through collective and concerted responses. Let us therefore come together to address them fully and thereby

lay the foundation for a more just and rewarding relationship between the countries of the world.

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