



## **A Fairer Global Order**

**Address by His Excellency President Olusegun Obasanjo,  
President of the Federal Republic of Nigeria and Chairman of the G-77,  
At the South Summit  
April 12, 2000, Havana, Cuba**

I am honoured and delighted to welcome you all to the first-ever South Summit taking place at this unique juncture of human history – a new century and a new millennium.

Let me, on your behalf, express our deep appreciation to our host, President Fidel Castro, and through him, to the Government and the great people of Cuba, for the warm reception and very generous hospitality extended to us since our arrival and for the excellent facilities placed at our disposal.

Havana, is a place, where I personally feel the spiritual bond with Cuban people, many of whom I share common ancestry.

Today we are witnessing the realization of an important decision taken at the South-South Conference on Trade and Investment, held in San Jose, Costa Rica in January 1997, to hold a South Summit in the year 2000. This is to mark the end of the 20<sup>th</sup> Century and the beginning of the 3<sup>rd</sup> millennium. Our presence here represents a major achievement. I am confident that this Summit will be a milestone in our quest for development and the attainment of a just and equitable global economic order, which must be based on peace and an effective arrangement of collective security.

Your Excellencies, this Summit is an opportune moment for us to engage in deep and sober reflection on how we have fared, while at the same time charting the way forward.

International order, economically and politically, has undergone profound transformation since the leaders of the South met in 1964 to establish the Group of 77. The formation of this Group was in response to the challenges of poverty, underdevelopment, poor coordination among developing countries in the face of the general trend to be excluded from the march of progress as primarily determined by the more affluent nations of the North, all within an environment devastated by the Cold War and confrontation between the two Blocs, as they were. It is a sad reflection indeed that the challenges then remain by and large the same challenges of today, albeit in an environment without Cold War but one with proliferation of inter and intra-state conflicts and engulfed in a globalisation process that is marginalising the South.

Collectively, we saw ourselves as being in the same boat within the international economic order, and we resolved to act in unison to tackle common difficulties and promote mutual interests. We believed that acting in solidarity would accelerate the socio-economic transformation of our countries. Our hope was that our coming together would assure our peoples a dignified existence. In addition, we were, and remain convinced, that the attainment of collective self-reliance of the countries of the South should be anchored on a durable self-sustaining economic growth and widespread socio-economic development, in and among our countries.

There will be those who will conclude that our Summit is nothing more than another round of talks about talks. Yet others, with a dose of skepticism, will wonder about the purpose of a South Summit, after decades of slumber during which the rest of the world has advanced so much, with most of the South falling dramatically behind by most indicators. The truth is that we must ask ourselves a number of critical questions about our recent history. And only after we have been through such critical self-examination, can we confidently point out the failures of the industrialised countries who have reneged on their commitments and promises for official development assistance, speedy debt remission and a fair international trading regime.

Our Group has demonstrated dynamism in pursuing our goals as conceived 36 years ago. Permit me, Your Excellencies, at this point, to pay tribute to the late Mwalimu Julius Nyerere, a truly great son of Africa and eminent international statesman who dedicated his retirement to the establishment and management of South-South Commission, an organisation whose existence contributed immensely to the focusing of the initiative behind this Summit.

The G-77, as we are now known, has been an effective negotiating force within the UN system on resolutions pertaining to trade, finance, economic and social development, environmental issues, and other items. However, we must acknowledge – in frustration – that most of the resolutions remain dead letter, that many important issues have been shifted to negotiating fora outside the UN system, and that we are confronted in general, with a weakening role for the UN in vital areas of war and peace and economic and financial decision-making for world economy.

We still have a long way to go. It is, indeed, disconcerting to observe that the problems of poverty, underdevelopment and global inequity not only persist but under the impact of a fast globalising world economy. We must come to grips with the reality that our uncertain journey into the new millennium will continue to be shaped by the profound forces of globalisation and liberalisation unleashed in the final years of the 20<sup>th</sup> century. We must devise strategies to cope with the challenges.

Globalisation has brought mixed blessings. The prosperity it engenders is unevenly shared among countries and regions of the world. While the industrialised countries remain major beneficiaries, the vast majority of members of our Group have been unable to take advantage of the opportunities. Globalisation has failed to spur economic recovery, faster growth, greater employment opportunities and poverty eradication in developing countries. Rather, it has exhibited a tendency to accentuate the income and welfare gaps between the rich and the poor, among and within

countries and regions. Never has the world witnessed such massive disparities in international economic and social activities. And nowhere is this trend more glaring than in the countries of the South.

The collective management of future global economic activities must be guided by the precept of “**prosperity for all and marginalisation for none**”, as adopted recently at UNCTAD TEN.

**But** the multi-faceted consequences and impact of globalisation are not the only issues the Group of 77 should be concerned about, individually and collectively. Rather we must equally address the consequences of an inherent and perilous inability of the international political system. The bi-polarity of the past has not yet been substituted by a new and stable political and security arrangement. The resulting instability has a profound impact on the stability and economic prospects of the countries of the South.

**We** must strive for a more stable and predictable global political system and security structure. Peace, security, development and cooperation are inextricably linked and cannot be dealt with in isolation. The United Nations must be endowed and empowered to play an effective role in these areas, as we all too often have proclaimed. Let us engage the countries of the North to work together with us in that direction and within the framework which we have jointly built and carefully nurtured. Multilateralism should never be sacrificed for short-term and sometimes short-sighted domestic political expediencies.

Let me return to our quest for a better management of the world economy. The increasing importance of trade in global economic activities and the dominance of the **World Trade Organisation [WTO]** in shaping the character of international economic order demand our special attention. The multilateral rule-based trading system, anchored on the architecture of the Uruguay Rounds Agreements, is in serious crisis, as manifested by the failure of the Seattle Ministerial Conference of the WTO. The enthusiasm and high expectations which motivated developing countries to sign the Uruguay Rounds Agreements have been shattered by the inability of **WTO** to take into consideration the legitimate interests of the countries of the South, especially Africa.

**Given** the failure of the Seattle Ministerial Conference, we should, at this Summit, evolve fresh approaches for the equitable management of global trade relations that would be supportive of development and prosperity for all. In this regard, I strongly recommend that this Summit agree on a common platform of action for our Trade Ministers to facilitate the attainment of the implementation of the development dimensions in the various **WTO** Agreements, when the stalled Ministerial Conference of the **WTO** resumes.

**Your Excellencies**, the recent financial crisis in South East Asia has brought to light one of the darker sides of globalisation and its direct and profound impact on practical stability and developments. The crisis revealed the vulnerable exposure of even the best performing economies of developing countries to the powerful forces of globalisation. This Summit should underscore the urgent need for decisive international actions to reduce the incidence of financial volatility associated especially with short-term speculative capital flows, which have grave social and

economic consequences for developing countries. This underscores one specific aspect of a more general and complex challenge. We must be part of the management to ensure that it is not loaded against us and that our interests are adequately, suitably and appropriately taken into consideration.

In this regard, we must make a decisive contribution to the debate on the reform of the international financial institutions. The South must participate fully and effectively in the design and management of a new international financial architecture.

The heavy external debt burden and large unsustainable debt service obligations constitute a major obstacle to social and economic development, the fight against poverty, human security and stable democratic governance. Heavy debts undermine the capacity of our countries to make positive adjustments. It is clearly unacceptable that the external debt burden should continue to constrain our ability to channel public investment into physical and social infrastructures and human resource development. The debt burden also deters new foreign investments.

The countries of the South must be enabled to make a fresh start to grapple with the socio-economic development of their countries. To that end developed countries must agree to effective and speedy debt remission beyond the onerous and protracted HIPC conditions. The categorisation of indebtedness into HIPC and others is itself arbitrary and without relevance to the realities of those who have to shoulder the burden of debts. In the spirit of shared responsibility for the debt crisis, developed countries should also consider the possibility of debt moratorium so as to immediately lift the burden from developing countries. North and South must also adopt measures to arrest the growing phenomenon of illegal capital flight and the repatriation of illicit wealth siphoned abroad by corrupt political leaders and their collaborators back to their countries of origin.

Let us send a clear message from Havana to the industrialised countries:

- u That their reluctance to change the institutional arrangements, policies and practices that continue to nurture and sustain the prevailing North-South disparities constitute a major threat to international peace and security;

- u And that they must demonstrate, not just in words but also in practice and in deeds, their commitment to genuine partnership with the countries of the South.

Your Excellencies, **We** must resuscitate constructive dialogue between **North** and **South**. Such a relationship must be based on the principles of mutuality of interest and benefits, shared responsibilities and genuine partnership. The enhancement of the role of the developing countries in global economic decision-making is an important component of world stability.

It is a matter of concern that the core resources of the United Nations Funds and Programmes that have traditionally brought meaningful improvement to the lives of our people have been declining in recent years. We call on developed countries to halt and reverse this decline. We urge them to fully and faithfully implement their commitment to provide substantial resources to these Funds and Programmes. Similarly, the alarming decline of **Official Development Assistance [ODA]** as a

whole must be arrested.

This is particularly important as the current pace of globalisation has made it extremely difficult for most developing countries to mobilize and attract other external resources for development, such as foreign direct investment and foreign portfolio investment. We note with concern that the flow of **FDI** to developing countries has fallen to 28 percent of global **FDI** flows in 1998. In any case, **FDI** flows to the South are strikingly uneven as five countries have enjoyed 55 percent of the total **FDI** flows to developing countries in 1998, while the 48 least developed countries [**LDCS**] received less than **one** percent.

Your Excellencies, This Summit also provides a unique forum to redouble our individual and collective efforts in advancing **South-South Cooperation**. We, the leaders of the South must come up with practical options and measures to revitalise all aspects of cooperation among ourselves. I hardly need to remind us that many industrialised countries owe their present level of prosperity to successful cooperation, especially in the framework of regional organisations. We must take a leaf from this experience and rededicate ourselves to make **South-South Cooperation** a more dynamic aspect of international cooperation for development. This requires first of all that we create more effective and workable regional and sub-regional economic integration and cooperation arrangements. In our immediate sub-region, **ECOWAS** is currently in the middle of a process in this direction. And Nigeria is fully committed to the rapid economic integration of Africa as a whole. It is only through such concrete measures, beyond words and declarations, that **South-South Cooperation** can become a credible force in the emerging global economic order.

**Our** reach and diverse development experiences and know-how as well as our similar needs and problems offer a unique window of opportunities for greater bilateral, sub-regional, regional and inter-regional cooperation among our countries. It is gratifying to note that the past few years have witnessed growth in some aspects of **South-South cooperation**.

I urge this Summit to develop and agree on a concrete programme of action for South-South cooperation. This must be based on **three pillars**:

- u **one**, measures leading to economic integration on a regional and sub-regional basis,
- u **two**, specific measures for projects and programmes by both the public and private sectors,
- u **three**, measures to increase trade and commercial transactions between countries of the South.

Your Excellencies, We are experiencing the age of monumental advances in modern technology and knowledge. Indeed, the notion of global knowledge, society and economy is becoming a refrain in international discussions. We are witnessing the emergence of the structure of a “**New Economy**”, relying heavily on information technology, biotechnology and nanotechnology. Globalisation itself would be unmanageable without information technology which has been and likely to remain

the driving force of its evolution.

We owe to our people to do the following:

u allow our citizens to be stakeholders in the development processes, ensuring national cohesion and consensus;

u **We must** ensure a dignified and humane existence for our citizens, through combating poverty and ignorance.

At the level of **South-South Cooperation**, we must go beyond rhetoric of old and commit ourselves to specific and practical collaboration and cooperation in the fields of trade, investment and technology.

Your Excellencies, At this juncture, I wish to express our gratitude to the Secretary-General of the United Nations for the support, which the **G-77** continues to receive from the UN Secretariat. I also wish to acknowledge the immense support of **UNCTAD**. Since its inception, the organisation has remained a faithful friend of the **G-77** and has assisted us in policy analysis, the promotion of international cooperation and the development of technical capacity. I thank **UNDP, UNIDO**, all other development Agencies and donor countries, which have supported the **G-77** in their efforts and activities.

The new world of increasing interdependence compels us as developing countries to work together to rekindle our partnership with other members of the world community with whom we share a common destiny as members of the human family.

I thank you. May South-South Cooperation grow from strength within a fairer global order.

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