

STATEMENT BY HIS EXCELLENCY CLEMENT J. ROHEE, MINISTER OF FOREIGN AFFAIRS OF GUYANA AND CHAIRMAN OF THE GROUP OF 77, AT THE OPENING CEREMONY OF THE NINTH MINISTERIAL MEETING OF THE GROUP OF 77 PREPARATORY TO UNCTAD-X

Marrakesh, September 14-16, 1999

Mr. President,
Distinguished Delegates,
Ladies and Gentlemen,

May I first of all express sincere appreciation to the Government and people of Morocco and to this historic city of Marrakech for the very warm welcome and hospitality extended to my delegation.

As current Chairman of the Group of 77 and China, I would also wish to convey my personal greetings and good wishes to all and particularly to you Mr. Chairman and the distinguished Secretary-General of UNCTAD, Mr. Rubens Ricupero.

This Ninth Ministerial Meeting, Mr. President, is taking place at a very critical juncture of international economic relations, not merely for the fact that it is the last Meeting before we greet the new millennium but, more so because this ninth Conference is being held against a background of great uncertainty for the developing world.

Over the last two decades there has been a gradual but definite displacement of the collective concerns of the countries of the South from the international policy agenda. This process of displacement has occurred primarily in the context of two important and inter-related developments, namely, the ideological and political ascendancy of economic neo-liberalism with its emphasis on the role of unfettered markets in the allocation of national and global resources, and the accelerated pace of globalization which has itself been increasingly underpinned by a market liberalizing logic.

Globalization continues to have a profound impact on most developing economies; and although the consequences of globalization are universal the key decision-makers, in terms of global policy-making, are concentrated in a few major industrialized countries often in the hands of a few major corporations and individuals. National governments are known to feel increasingly marginalized as economic sovereignty is redefined and market forces become ascendant.

For most developing countries the globalization process of rapid trade, financial and investment liberalization has not fully lived up to its promise, despite the adoption of profound structural reforms and macroeconomic measures. The market-based development model needs to emphasize the human development perspective and give greater priority to social protection policies that will facilitate sustainable and socially balanced growth.

Attempts at responding to the demands of the western-driven, market-based processes of accelerated globalization, on the basis of individual capacities, have only served to atomize the developing world whilst making countries ever more vulnerable to pressures from the most powerful players in the evolving international order, whether these be states or transnational corporations. More than this the current global agenda is almost bereft of the broad historic and contemporary concerns of the countries of the South.

Notwithstanding this difficult international environment, the member states of the Group of 77 developing countries have a major role to play in multilateral development diplomacy. This meeting presents, I believe, a timely opportunity to reflect on that role by addressing three important tasks: **first**, the reinvigoration and

strengthening of the G-77 as a central and relevant forum to advocate the economic growth, social development and strategic integration of developing countries in the global economy; **second**, to renew and consolidate south-south cooperation; and **third**, to identify a broad and pragmatic programme of work for UNCTAD in support of these goals.

Such is the complexity of the problems facing the global economy that only a concerted effort by all actors at the international, regional and national levels can find appropriate solutions. No country nor for that matter group of countries can afford to stand apart and assume that others will solve these global problems. All states, particularly small ones which are likely to face the greatest challenges from the new liberal trade order, must cooperate in the search for mutually beneficial and sustainable solutions.

The question, therefore, of the re-establishment of a collective platform for the developing countries to give a coherent and credible voice to their interests in the international system is recognized as central. Integral to this is the need for the identification of a number of broad issue-areas in which developing countries have some shared, even if not equal concerns, and the development of a set of principles that could inform the articulation of both a South vision and specific demands. These issue-areas would include the following: Globalization, South-South Relations, North-South Relations, Knowledge and Technology, and Mechanisms and Institutional Measures.

In order to counter the present intellectual hegemony of the North, the developing countries would need to develop an alternative vision based on a more balanced relationship between the market and the state. This vision should also be imbued with a humanistic ethic which emphasizes the importance of equity and social justice, and not merely economic efficiency.

Globalization

On the **globalization** issue, Mr. President, the countries of the South should undertake urgently an inter-governmental dialogue on globalization. The dialogue on this matter has to date resided principally and almost exclusively in the north. The analysis of the impact of the globalization process has come largely from the developed countries.

The **international trading system** is central to the ongoing processes and structures of globalization and liberalization which affects all developing countries irrespective of their level of development. The functioning of the World Trade Organization (WTO) must, therefore, be responsive and sensitive to the development needs of all its developing members. So what does the developing world require from the multilateral trading system? **First**, the full implementation of existing liberalization commitments. In this regard many developing countries suggest that the Third WTO Ministerial Meeting in Seattle, USA, should be a time to initiate a process of 'review, repair and reform'. The issue for any new round of negotiations is that of righting an existing imbalance. This should not become something developing countries are expected to 'pay' for in negotiations on new issues. **Second**, the provisions for special and differential treatment must be emphasized in recognition of the disadvantages faced by many developing countries by virtue of their comparatively low level of development. The basic principles of special and differential treatment for developing countries are fully established and recognized in the various decisions of the United Nations General Assembly, UNCTAD and the WTO. In the WTO context future special and differential treatment should be based on specific development criteria instead of arbitrarily defined transitional periods.

Critical to the healthy functioning of **the international financial and monetary system** is the need for effective 'financing for development' and not mere stability of international financial markets. A common South agenda should pursue the establishment of a "**new international financial architecture**" which will emphasize the importance to developing countries of official development financial flows, a more equitable international debt management framework, and increased participation in the decision-making processes of

international financial institutions.

South-South Cooperation

South-South cooperation, Mr. President, has long been an important part of the overall agenda of developing countries. The South Summit to be held in Havana, Cuba in April 2000 will be critical watershed for the future of the G-77. The Summit will provide the opportunity for assessment, recommitment and consolidation of the ideals and partnership among G-77 countries and developing countries in general. G-77 coordination and solidarity are critical elements in the South's preparations for the international trade negotiations and other issues of the international agenda.

- i. **First**, the South needs to consolidate a cohesive and unified approach with concrete and specific objectives towards the upcoming Third WTO Ministerial Meeting;
- ii. **Second**, the intellectual re-armament of the South. This is a critical matter. The South must be able to develop its own vision and model for development.
- iii. **Third**, international publicity of the South Summit should be undertaken as a matter of urgency at the highest political levels in G-77 countries in order to promote maximum participation and a positive outcome.
- iv. **Fourth**, inter and intra-industry collaboration based on 'industrial complementation' and inter-linkages should be encouraged and developed among the countries of the South with a view to target better utilization of resources and value-added.

North-South Relations

Building a coherent and structured relationship with the north is very important to the South's vision for the future. In his Report to UNCTAD X the distinguished Secretary General states that "the world economy has evolved rapidly over the past several decades, and it can be said with some assurance that change will also be rapid in the decades ahead. The directions of change are, as always, difficult to foresee with precision, but the trend towards greater interaction of the peoples and economies of the world will surely continue". The development agenda of the South, therefore, cannot be set in a vacuum. The South's strategy will have to take into account the disposition and programme of the North.

In this regard there should be an institutionalized dialogue between the G-77 and the G-8 countries. This dialogue should establish a joint consultative forum of developed and developing countries to review the state of the world on the basis of perspectives from different interests as opposed to the present system where the industrialized G-8 countries have monopolized this important function.

Knowledge and Technology:

Advanced forms of knowledge, science and technology have emerged as an increasingly critical ingredient of contemporary economy and society. A collective agenda of the South in the area of science and technology should:

- (i) call for a revisiting and amendment of the TRIPS regime of the WTO in order to make the global intellectual property rights regime more sensitive to and supportive of development;
- (ii) promote greater cooperation among developing countries by way of established centers of excellence.

Mechanisms and Institutional Measures

The absence of a Secretariat is a major constraint on the effective functioning of the G-77. As part of the drive for a more effective South presence and input in the international system the G-77 should take steps to strengthen its analytical capability through the establishment of appropriate institutional arrangements. It should also optimize the use of the resources and facilities available in appropriate institutions and in regional cooperation schemes as well as such shared inter-governmental institutional resources as the South Center in Geneva and the Third World Network.

Given its mandate, UNCTAD has an important role to play in assisting developing countries to participate in, and benefit to the maximum extent possible from the increasing integration of the international economy. UNCTAD, under the intellectual leadership of Secretary General Ricupero, has been remarkable in its research and analytical work, its technical assistance programmes and its efforts aimed at building international consensus on emerging issues. We should therefore continue to look to it for support.

In closing, Mr. President, I wish to note that it was here in Marrakech five years ago that the multilateral trading system gave birth to the World Trade Organization (WTO). I also recalled the reflections of the then Crown Prince (Sidi Mohammed) of Morocco on the occasion of the fiftieth anniversary of the multilateral trading system one year ago when he noted that global trade was approaching the unreal figure of US\$ ten trillion by the new millennium but that "extreme wealth and extreme poverty exist side by side.. and a large sector of the population is still excluded from the benefits of the new-found prosperity and the progress achieved. The per capita gross domestic product in the G-8 countries today is still 40 times greater than the average in the poorest countries of the planet." The gravity of the situation facing developing countries cannot be overemphasized. Our action, Mr. President decisive, focused and swift is required. Nothing less.

I thank you.