

Origin of The Group of 77

Historical background

The Bandung Conference held in 1955 was attended by all the great political stalwarts of newly independent African and Asian countries. For the first time an attempt was made by them to launch co-operation between developing countries 'on the basis of mutual interest and respect for national sovereignty'. These countries sought to establish their own independent identity as a group opposed to neo-colonialism by either the USSR, the United States or any other imperialistic nations of the world. The Conference was aimed at restoring economic and cultural links within the South, severed due to colonialism, while strengthening further the links between the North and the South.

The Final Communique of the Conference underlined the need for developing countries to provide technical assistance to one another through the exchange of experts, and trainees ; pilot projects and provision of equipment for demonstration purposes as well as the exchange of know-how and the establishment of regional training and research institutes. The Communique further recommended the need for collective action for stabilizing international prices and the demand for primary commodities, the diversification of export trade by the processing of raw materials before export ; the promotion of intra-regional trade fairs and a review of freight rates. It also agreed to encourage the establishment of national and regional banks and insurance companies. There was, however, no follow-up or any mechanism to implement the proposals of this historic Conference until 1962, when the Group of 77 developing countries was set up. The Bandung Conference was, therefore, a harbinger of things to come for the G77.

The Non-Aligned Movement (NAM) created in 1962 is a grouping of 117 countries (as at June 1994) who continue to feel the need for a common platform of their own and the movement mirrors the issues above in the spirit and essence of its founding. In fact, the Bandung Conference laid the early foundation of non-alignment although there were some 'aligned' countries (Pakistan, Turkey and Philippines) at the Conference. The main objective of the NAM is to foster a political togetherness, which aims at providing confidence, even to very small countries, to stand on their own feet. Such confidence is imperative for sustainable development. The role played by the NAM in the process of decolonization was vital, as for example in achieving the independence of Namibia.

Issues raised by the Bandung Conference were strengthened by the NAM. By the 1960s a larger number of new and developing states who had joined the United Nations and begun to use it as a forum to voice their discontent with the international economic and social system certainly had been influenced by the initiatives of the Bandung Conference. A landmark of this period was the Joint Declaration made by developing countries at the 18th Session of the General Assembly in New York in November 1963. They declared that in order to reach basic agreement on a new International trade and development policy, the General Assembly of the United Nations should adopt concrete measures, including:

- creation of conditions for the expansion of trade between countries at a similar level of development, at different stages of development or having different Systems of social and economic organization;
- progressive reduction and early elimination of all barriers and restrictions impeding the exports of the developing countries, without reciprocal concessions on their part;
- increase in the volume of exports of the developing countries in primary products, both raw and processed, to the industrialized countries, and stabilization of prices at fair and remunerative levels;
- expansion of the markets for exports of manufactured and semi-manufactured goods from the developing countries;
- provision of more adequate financial resources at favourable terms so as to enable developing countries to increase imports of capital goods and industrial raw materials essential for their economic development, and better co-ordination of trade and aid policies;
- improvement of the invisible trade of the developing countries, particularly by reducing their payments for freight and insurance and the burden of their debt charges;
- improvement of institutional arrangements, including, if necessary, the establishment of new machinery and methods for implementing the decisions of the Bandung Conference.

The Declaration further stated that:

The developing countries are looking to more stable and healthy international economic relations in which they can increasingly find from their own resources the means required for self-sustaining growth. The developing countries are confident that the United Nations Conference on Trade and Development will not only be able to contribute to the acceleration of their economic development, but will also be an

important instrument for promoting stability and security in the world.

This list of issues indicates that the rationale behind the Declaration was to bring about fuller international co-operation so that greater progress could be made towards the attainment of 'collective economic security' of the newly independent countries vis-a-vis the developed countries. The Declaration also emphasized that international trade was one of the instruments through which world peace could be guaranteed.

Under these circumstances and in a setting of Cold War tensions the period 1960-70 was declared the United Nations Development Decade. Under this Decade a programme of economic growth of 5 per cent per year in the developing countries was envisaged. The proposal was studied by the Conference Secretariat of UNCTAD I which found that the realization of this target was beyond reach, unless the prospects for the growth of export earnings of the developing countries were increased to what was needed to finance the required rate of import growth.

Establishment of the Group of 77

A few weeks before UNCTAD I (Geneva 1964) a small Conference Secretariat met in New York under the leadership of Raul Prebisch, Secretary-General of the Conference.

This Prebisch Report entitled Towards a New Trade Policy for Development quantified the trade gap mentioned above and proposed a series of measures which could bridge the gap.

Prebisch, a market economist was of the opinion that while the market was useful as an efficient allocator of resources it did not aid unequal participants who need the help of benefits and special treatment to be able to function effectively. For example many Latin American countries had just got their independence from colonial rule. Prebisch advised the group (which at that time was reluctant to do so) in their own interest to join hands with the Afro-Asians to form a single developing country grouping. In this he was supported by such personalities as Sidney Dell and Vladek Malinowski

Against this background a broad coalition known as the Group of 77 emerged. Originally, this was a group of seventy five countries. Japan (then midway between the developed and developing countries) and New Zealand were signatories to the Joint Declaration setting out the common position together with the other seventy five at the Geneva Conference of 1964.

Although these two countries did not wish to be members of the overall group, the coalition was still designated the Group of 77. It consisted of Afro-Asian countries and included some Latin American and Caribbean countries.

The Group of 77, which fulfilled its promise to be the major constituency within the United Nations system, was established on 15 June 1964 at the conclusion of the first United Nations Conference on Trade and Development. Its founding was the result of a collective perception on the part of developing countries that they shared their most common problems and of the recognition of the need for joint action in accordance with the principles and objectives of United Nations Charter, in the face of the inequitable pattern of international economic relations.

Although the membership of G77 has now risen to 132 countries, including China, with the admission of South Africa and Bosnia and Herzegovina to its ranks in 1994, the original name is still retained because of its historic significance. In 1994, Mexico, one of its founding members, left the Group to join OECD, a Paris-based grouping of industrialized countries of the North.

The evolution of the Group of 77 is intimately linked with the United Nations system and remains a clear manifestation of the importance that the latter attaches to multilateral co-operation.

Objectives

The Joint Declaration of 15 June 1964 signed by the representatives of the Member States of the Group of 77 participating in the Conference summarizes the *raison d'être* for the establishment of the Group and sets out the members' united objectives in the field of trade and development:

The developing countries attach singular importance to the establishment of international machinery in the field of trade and development. It is vitally necessary that this machinery should be an effective instrument for the discussion of issues, the formulation of policies, the review of results, and for taking such operational measures as are needed in the sphere of international economic relations.

The developing countries attach cardinal importance to democratic procedure which affords no position of privilege in the economic and financial, no less than in the political sphere. Furthermore, the developing countries would stress the need for continued evolution in the institutional field, leading not merely to the progressive strengthening of the machinery

that is now contemplated, but also to the ultimate emergence of a comprehensive international trade organization.

The developing countries regard their own unity, the unity of the seventy-five, excluding Japan and New Zealand, as the outstanding feature of this Conference. This unity has sprung out of the fact that facing the basic problems of development they have a common interest in a new policy for international trade and development. They believe that it is this unity that has given clarity and coherence to the discussions of this Conference. Their solidarity has been tested in the course of the Conference and they have emerged from it with even greater unity and strength.

The developing countries have a strong conviction that there is a vital need to maintain, and strengthen further, this unity in the years ahead. It is an indispensable instrument for securing the adoption of new attitudes and new approaches in the international economic field. This unity is also an instrument for enlarging the area of co-operative endeavour in the international field and for securing mutually beneficial relationships with the rest of the world. Finally, it is a necessary means for cooperation amongst the developing countries themselves.

The G77 is a creation of a 'unity amongst diversity'. It is not a homogenous group with nearly identical economic problems, social environments, needs and capacities; nevertheless almost all of the members have one thing in common: they were nations who were subjected to colonialism in one way or the other and were newly emerged independent states who needed development. The G77 therefore proceeded to create a broad setting of objectives to address common problems.

From the above excerpts, which outline the position of the Group on the series of major issues aimed at an improved international economic and social framework of developing nations, emerge its twin objectives:

development and peace.

Structure

The organization and modalities of work of the G77 have certain minimal features in common. These include similarity in membership, mode of decision-making and certain operating methods. The Group's work in each Chapter is co-ordinated by a chairperson, who acts as its spokesperson. The chairpersonship rotates on a regional

basis and the Ministerial Declaration issued to mark the thirtieth anniversary decided that the term of the chairperson be one year in all the Chapters. Accordingly the Paris Chapter which until now has followed a two-year pattern will shift to a one-year chairpersonship beginning with 1996.

The Ministerial Meeting is the supreme decision-making body of the Group of 77. It is convened annually, at the beginning of the General Assembly of the United Nations in September in New York and also periodically in preparation for UNCTAD sessions and the General Conferences of UNIDO and of UNESCO. Special Ministerial Meetings are also convened as needed, such as on the occasion of the Group's twenty-fifth anniversary (Caracas, June 1989) and its thirtieth anniversary (New York, June 1994).

The Intergovernmental Follow-up Aid Co-ordination Committee on Economic Co-operation among Developing Countries (IFCC) is a plenary body consisting of senior officials and meets once every two years. Its purpose is to review the state of implementation of the Caracas Programme of Action (CPA) adopted by the Group of 77 in 1981. The IFCC was last convened in Panama City in 1993.

Subsidiary machinery created to support the CPA include the Core of Assistance to the Chairperson of the Group of 77, the Committee of Experts of the Perez Guerrero Trust Fund (PGTF) for ECDC and TCDC, the General Conference and the Steering Committee of the Chambers of Commerce and Industry of the Group of 77. Action Committees and National Focal Points for ECDC and the Documentation Centre.

The Group of 27 serves as a technical and expert level working group of the Group of 77 of the Whole in New York. It was originally established in 1974 preparation for the 6th Special Session of the General Assembly of United Nations on the New International Economic Order. The membership of the G77 originally consisted of nine countries from each of the three regions of the Group of 77 (Africa, Asia and Latin America and the Caribbean). It met as a working group of the Group of 77 of the Whole to whom it reported. From the outset, participation was open to any member of the Group of 77 and it is this which made it very effective and useful for the in-depth study of issues to be recommended to the Group of 77 of the Whole.

Evolution

Following the pioneering Geneva-based UNCTAD, 'Chapters' were formed within a few years wherever there was a substantial United Nations presence, in conformity with the Declarations mentioned above. There are at present seven Chapters, namely,

Geneva (UNCTAD, 1964), New York (United Nations Headquarters). Paris (UNESCO, 1969), Rome (FAO), Nairobi (UNEP HABITAT), Vienna (FAO, UNIDO), and Washington DC (Group of 24, 1972, IMF and the World Bank).

The New York Chapter has the overall mandate for co-ordinating the work of the Group of 77 activities on a global level. North-South and South-South issues assure the implementation and follow-up of the Caracas Programme of action on ECDC/TCDC.

During the last thirty years the Group has grown both in its membership and in the variety of its commitments and objectives. Its concept of multilateralism has made it an organization wider in scope than the Non-Aligned Movement.

The 1981 Caracas Conference proved to be a historic landmark in the life of the Group in particular and in the developing world as a whole, owing to its profound analysis of problems and the objectives and methods of work formulated in the Caracas Programme of Action (CPA).