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60 years of Contribution of the Group of 77 and China to Global South Coalition in International Development and Politics

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The New York Chapter of the Group of 77 and China (G77 and China) commemorated its 60th Anniversary on 25 October 2024 in New York. This document is based on the presentation made by Prof. Yuefen Li, Senior Advisor on South-South Cooperation and Development Finance at the South Centre, as part of the panel discussion held at the commemoration on the theme of “60 years of Contribution of the Group of 77 and China to Global South Coalition in International Development and Politics”.

Le chapitre de New York du Groupe des 77 et de la Chine (G77 et Chine) a commémoré son 60e anniversaire le 25 octobre 2024 à New York. Ce document est basé sur la présentation faite par la Prof. Yuefen Li, conseillère principale sur la coopération Sud-Sud et le financement du développement au South Centre, dans le cadre de la table ronde organisée lors de la commémoration sur le thème « 60 ans de contribution du Groupe des 77 et de la Chine à la coalition mondiale du Sud en matière de développement international et de politique ».

El Capítulo de Nueva York del Grupo de los 77 y China (G77 y China) conmemoró su 60º Aniversario el 25 de octubre de 2024 en Nueva York. Este documento se basa en la presentación realizada por la Prof. Yuefen Li, Asesora Principal sobre Cooperación Sur-Sur y Financiación del Desarrollo del South Centre, como parte de la mesa redonda que se organizó en la conmemoración sobre el tema «60 años de contribución del Grupo de los 77 y China a la Coalición Global del Sur en el desarrollo y la política internacionales».

For the past six decades, the G77 and China has been a driving force in shaping the international agenda for sustainable development, and strengthening the role of the United Nations (UN) system in addressing critical global issues and challenges. Being an essential platform for advancing the interests of the Global South, its influence at the international level has been increasing. The economic and social weight and power of G77 and China member States have also expanded, evidenced by how developing countries account for 86.4 percent of the global population and 58 percent of the global gross domestic product (GDP) today.

The G77 and China was established in 1964 at the first United Nations Conference on Trade and Development (UNCTAD). At that time, the spectre of colonialism was being challenged worldwide, and most of the Global South countries had just gained—or were in the process of gaining—their independence. However, the Global South was unfavourably placed in the international economic system, and its newly independent countries were individually powerless to influence international processes, multilateral institutions, and the global political and economic environment. Global strategies, policies, and actions at that time were aimed at sustaining the post-World War II institutional setup, that was dominated by the Global North. Economically, commodity dependence was prevalent in many developing countries, and the terms of trade were completely against the Global South. Their natural resources continued to be plundered, and raw materials were exchanged for pennies. This required a rethinking of how international trade should support the economic and social development of countries of the South, many of which were facing common challenges. The establishment of the G77 was therefore driven by the urgent need of the South to act together with the common objective to change their situation of being marginalized and relegated to the status of inferior, second-rate States at the periphery of the international economic order.

The developing countries comprising the G77 and China, united by their common aspirations towards advancement, agreed to identify collective interests and to pursue their joint efforts towards economic and social development, peace, and prosperity. Over the years,

the Group has proven itself as a champion of the Global South, promoting and effectively defending the collective economic and political interests of its member States at the United Nations and beyond. The G77 and China has played a crucial role in enabling developing countries to join forces and to gain, and secure, political and economic independence and sovereignty. It has also been at the forefront of ensuring a strong presence and influence of the Global South in world affairs.

The years around UNCTAD I were full of optimism, high expectations and enthusiasm among developing countries for action towards attaining balanced and equitable global governance. During this time, the formation of groupings like the Non-Aligned Movement (NAM), the Organization of the Petroleum Exporting Countries (OPEC), and the drive for establishing a New International Economic Order (NIEO) in the 1970s and its outcomes were some of the highlights of developing countries' collective action and influence on the multilateral scene and in the UN.

The UN Conference on the Human Environment held in Stockholm in 1972 introduced the environmental dimension into the evolving story of sustainable development, which has continued to the present day. Two decades later, the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 kicked off the multilateral processes for restoring the environment and encouraging environmentally sound development, including the protection of biological diversity. The efforts of the G77 and China to ensure a balance between economic development and environmental protection were important for addressing urgent needs of developing countries such as reducing poverty and hunger.

The advent of globalization since the 1980s ushered in economic development at different speeds among developing countries. The rise of tigers and dragons, the exploding economic growth of China and later of India, as well as the period of fast GDP growth in Africa, have all resulted in a paradigm shift in the global economic landscape, affecting different facets of international trade, finance and human development.

However, the institutions and governance of the international economic and financial architecture have not changed much. The G77 and China have fought hard to introduce much needed reforms in the governance of international financial institutions, to make them more representative of developing countries and enhance their ability to respond to their concerns. The decision process in the Bretton Woods Institutions (BWIs), i.e. the World Bank and International Monetary Fund, lack inclusiveness, representativeness, and fairness. Yet, there is a high interest at stake for developed countries, meaning that they would not relent, and thereby create a stubborn inertia to reform. Developing and least developed countries have continued to face this unacceptable asymmetry and dichotomy to this day.

In the 1980s and 1990s, external shocks to emerging economies including interest rate hikes by the US Federal Reserve, super commodity price cycles and natural disasters triggered severe financial and debt crises. A number of these crises led to lost decades of economic development in some developing countries and tightened the grip of the BWIs over the policy space of developing countries. In addition, in areas of financial markets, technology and military power —the areas which can really demonstrate the might of the countries — the global South still faces high barriers in competing fairly with advanced economies. This made some developing countries suspicious of the post-World War II global order and prevailing economic thinking, leading to the G77 and China taking the charge for its reform.

In terms of institution building, it was critical for developing countries to establish institutions of and for the South, where they could come together to discuss the many common structural and systemic problems they faced at the multilateral level in their economic and social development. The Joint Coordinating Committee between the NAM and the G77 and China was established with the vision to enhance collaboration, avoid duplication of efforts, and provide for greater efficiency in the attainment of common goals and objectives of the two groupings. In its report, *The Challenge to the South*, the South Commission recognized the need for strengthening South-South cooperation and to create an organization that would provide Global South countries with the intellectual and policy support to act collectively and individually for promoting their interests, particularly at the international level. The

South Centre was therefore established as an independent intergovernmental think-tank of developing countries, with the mandate to work with developing countries and the G77 and China, analyse their common problems, encourage them to value and share their developmental experiences, and to strengthen the intellectual and institutional capacities of the Global South.

The COVID-19 pandemic, the polycrises, and mounting geopolitical tensions, have now changed the world dramatically. There is increasing trade and financial fragmentation, rising nationalism, and weakening multilateralism, all of which have negative impacts on developing countries, further shrinking their policy space for catching up with the advanced economies. However, at the same time, there are grounds for optimism as the countries and peoples of the Global South are together much stronger than in the past, as well as growing more self-confident and assertive by the day. The recent success in the adoption of the Terms of Reference (ToRs) of the UN Framework Convention on International Tax Cooperation last August is a case in point of the solidarity among developing countries. A key factor in this initial success on reforming international taxation was the effort led by the African group to bring together developing countries and to negotiate as a unified bloc. Similarly, the agreement reached for the creation of the 'Loss and Damage Fund' at the 27th Session of the Conference of the Parties (COP 27) in Egypt in 2022 displayed the strength of unity among developing countries for achieving their long-standing demand to create a financial mechanism to support vulnerable developing nations facing climate change-related challenges.

The diversity within the Global South is wide in all domains of cooperation, while differences of national interests abound. However, 'Unity in diversity' has remained the motto and longstanding principle of the G77 and China. A "feeling of belonging," and of an identity shared by peoples and individuals living in or originating from the Global South, are still strong. Over time, the G77 and China has become more complex, diverse, and assertive in promoting its interests as well as shaping UN processes and policy *vis-à-vis* its longstanding counterpart, the Global North. The G77 and China are at the forefront of accelerating the implementation of the 2030 Agenda for Sustainable

Development and the Sustainable Development Goals (SDGs), advocating global action to combat climate change, reforming the international financial architecture, among many others. In the recently adopted Pact for the Future, the G77 and China played an active role to ensure that the concerns and voices of the Global South were centre stage in the multilateral arena. Developing countries have become more assertive in giving voice to their demands for a greater say in global affairs, which impact their current and future sustainable development trajectories.

We are now only six years away from the 2030 target for achieving the SDGs. Unfortunately, the overall progress in their attainment falls far short of the expectations with half of the targets off track and some suffering from reversal. Continuing to work collectively to mobilize political support and the means of implementation are important areas for further action by the G77 and China. While South-South cooperation continues to play a critical role in supporting developing countries in their efforts to achieve self-reliance and economic development, it is still a complement to and not a substitute for traditional North-South cooperation.

With humanity facing increasing existential challenges, from climate change to escalating geopolitical tensions, the world needs a more proactive G77 and China to champion the collective interests of its member States, and enhance efforts of the international community to provide effective, inclusive and innovative solutions for the persistent economic, social and developmental challenges in the Global South. The countries of the Global South need to uphold their solidarity, which is a pillar for safeguarding our collective interests.

Deepening linkages of trade, investment, technology transfer and knowledge sharing among developing countries remains critical in this regard.

The annual rotating presidency of the G77 and China has played an important role in leading and identifying the priorities of the Group. This year, under the able leadership of Uganda, the member States of the G77 and China came together at the 3rd South Summit in Kampala to reaffirm their full commitment to the spirit and principles of the G77 and China, and to the defence and promotion of their collective interests in genuine international cooperation for development. In the outcome document, the G77 and China have recognized the important role of the South Centre as the think tank of the Global South, and in promoting solidarity and mutual understanding among the countries and peoples of the South.

Finally, it is imperative to promote the common interests of developing countries for creating a global governance and financial architecture that addresses their sustainable development priorities. As in the past three decades, the South Centre will continue and strengthen its work to equip countries from across the Global South with policy relevant research, analyses and technical support towards realizing their common goals. At its 60th anniversary and in the future, the G77 and China must take the lead in guiding the multilateral agenda for sustainable development that is inclusive, equitable and leaves no one behind.

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