

Guide Globalization into a Just World Order

President John F. Kennedy's inspired words in 1963 could well be seen as prophetic today: "What kind of peace do we seek? Not a *Pax Americana* enforced on the world by American weapons of war ... not merely peace for Americans but peace for all men and women—not merely peace in our time but peace in all time." Envisaging a world illuminated by a universal peace based on consent and awareness and not on military power, Kennedy expressed the humanistic ideals that should be guiding the foreign policy formulation of the world's most powerful nation in the age of globalization.

As the values inherent to the democratic system of government become internationally accepted as those principles that best can assure humankind's well-being, global legitimating regulations become crucial. Two kinds of systems are discernible in today's world: regional integration arrangements, characterized by various levels of complexity and regulation; and the global system of the United Nations (UN), with its specialized agencies and financial institutions.

With these standards come more questions. What are the changes transforming the world at a vertiginous pace, resulting in the parallel movements of globalization and regionalism? What is the role of the United States in Latin America, and what are the prospects for cooperation? What is the role of the United States in reformulating the global system?

A Changed World

The predicted obsolescence of the nation-state as the primary political unit—entitled to absolute sovereignty, to be the dominant actor in interna-

Maria Claudia Drummond is the Federal Senate of Brazil's legislative adviser for foreign relations and Mercosul and technical adviser to the Joint Parliamentary Committee of Mercosul.

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tional relations, and to be the only subject of international law—is not a new concern for experts in international relations. The increasing influence of multinational corporations in the 1970s resulted in the emergence of the “market,” instead of the nation-state, as the key political actor.

In fact, the nation-state lacks appropriate tools and mechanisms to deal with those issues typical of an interdependent world. The internationaliza-

tion of the economy and of production, expressed in the increased prominence of multinational corporations and the instant flow of investment across the globe made possible by computer and satellite, have superseded the old nation-state, in a way.

Issues such as terrorism, drug trafficking, environmental preservation, the rational use of natural resources, and the spread of contagious diseases have acquired an international

dimension. One nation’s sulfurous smoke becomes another nation’s acid rain. No single nation-state, powerful as it may be, can deal effectively, by itself, with such issues. The threats to security that the nation-state must address are no longer necessarily of a military nature. They require conscious regulation, either on the regional or global level or on both, which can only result from mechanisms of cooperation devised by the nation-states themselves. As Hobbes wrote, what makes men give up their independence is fear.¹

Additionally, the increased importance of economic issues has blurred the line between those themes that belong to the international sphere and those that are purely domestic. The impact of the flow of international investment on domestic economies is an obvious example. Global finance can generate crises that are capable of destroying emerging economies that are not based on sufficiently sound macroeconomic foundations.

The processes of economic integration simultaneously underway in different parts of the world represent another feature of the globalized world. Different mechanisms, ranging from free-trade areas to monetary unions, are being utilized and are making progress on all five continents.² These processes, needless to say, impact the productivity of the state. Mercosul (the Common Market of the South), for example, has had to cope with a number of conflicts involving some of its most productive sectors, such as textiles, poultry, dairy, and shoe production. As a result, ordinary citizens are not surprisingly becoming more interested in their government’s foreign trade and policy decisions.

In addition, events such as the Persian Gulf War, the cruelty of ethnic cleansing in the Balkans, brutal violence in Somalia, and genocide in

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Rwanda make the contemporary world painfully aware of its own shortcomings and limitations. In other words, the celebrated new world order that many scholars thought would emerge, bringing peace and prosperity for all, is proving to be more like chaos and anarchy.

Thus “the spaceship called Earth” desperately needs a captain and a vision of the route. In this grim scenario, what role should the United States ideally play vis-à-vis its neighbors and, ultimately, the world?

From Intervention to Cooperation in Latin America?

Latin Americans have sound reasons to be suspicious and hesitant when the United States proposes initiatives such as building a free-trade area comprising the entire hemisphere. In fact, Latin American countries have experienced the effect of U.S. interventionism far too many times.

Under the Monroe Doctrine of 1823, the United States declared that it would refrain from interfering in Latin America and that the imperial powers of Europe should also respect the independence of their former colonies. The declaration was aimed at the Caribbean, because the Europeans were still active in that region, and was intended to identify the vital interest of the United States in an area it considered to be its own inland sea.

Only much later, in 1898, was a policy of intervention first used. Based on the principles enunciated in the Monroe Doctrine, the United States went to war to expel the Spanish from Cuba and Puerto Rico. At that time, the United States believed that it had an obligation to bring freedom and democracy to its smaller brothers in Latin America. The result was quite different. Puerto Rico became a U.S. colony, and Cuba’s freedom was curtailed by the Platt amendment, under which the United States reserved for itself the right to intervene in Cuban affairs “for the preservation of Cuban independence and the maintenance of a government adequate for the protection of life, property, and individual liberty.”³

By 1898, substantial U.S. investment was flowing into Cuba. In 1904, President Theodore Roosevelt stated his corollary to the 1823 Monroe Doctrine in a speech to Congress, turning the United States into a sort of policeman that could “exercise an international police power” in flagrant cases of “wrong-doing” on the American continent. During this period, Panama was seized from Colombia to create a canal zone under U.S. sovereignty; and U.S. troops occupied Nicaragua from 1912 to 1933, Haiti from 1915 to 1934, and the Dominican Republic from 1916 to 1924.

U.S. “gunboat diplomacy” on the continent resulted in accusations of imperialism and interventionism. A pan-American council was established under the “Good Neighbor Policy” of President Franklin D. Roosevelt, who

shifted from unilateral action by the United States to collective action by all the American republics. The charter of the Organization of American States (OAS), signed in Bogotá, Colombia, in 1948 seemed to set up a more democratic and balanced framework for relations among the American republics, stating in Article 15 that “no state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.”

In spite of the formidable repudiation of intervention contained in the OAS charter, and given the fact that the United States was preoccupied during the Cold War with the Soviet Union, the question became whether the United States would refrain from intervention if a Communist government came into power in a Latin American republic.

The answer would come only six years later. In 1954, the freely elected government of Guatemala nationalized the U.S.-owned electrical company and told the United Fruit Company that it would have to release 200,000 acres of land. The OAS approved a declaration stating that “the domination or control of the political institutions of any American state by the international [C]ommunist movement” would constitute a threat to the sovereignty and political independence of the American states. Although the major democracies of Latin America had voted against it, the declaration allowed the Central Intelligence Agency to overthrow the government of Guatemala; subsequent governments returned Guatemala to dictatorial rule, supported by its right-wing oligarchies.

The turning point in U.S.–Latin American relations was Fidel Castro’s decision to defy Washington and move Cuba into the Communist camp, an action preceded by vociferous protests against the United States on the occasion of President Richard Nixon’s visit to Caracas in 1958. No wonder the State Department was shaken by these events in the most crucial Cold War years: Latin America’s presence in the Western sphere of influence had been taken for granted by Washington since the end of World War II.

The United States used direct military intervention again at Santo Domingo in the spring of 1965, arousing apprehension in Latin America. This trend continued with U.S. military intervention in Latin America in Grenada (1983), Panama (1989), and Haiti (1994) to accomplish U.S. foreign policy objectives. In Panama, “Operation Just Cause” pledged to safeguard U.S. lives, defend democracy, combat drug traffic, and protect the integrity of the Panama Canal Treaty. In Haiti, “Operation Restore Democracy” returned Haiti’s elected president, Jean-Bertrand Aristide, to power.⁴

For the United States, any attempt by Latin American countries to change their archaic structures and address a feudal land-owning aristocracy that refused to relinquish any of its privileges seemed to bring the danger of

a pro-Communist regime seizing control of the government. The principle of nonintervention, however, is ingrained in Latin American culture. It involves the very question of national independence—a cause that Latin Americans cherish—which enjoys a rare unanimity among the common people, governing elites, and intellectuals and which maintains an importance that the anti-Communist crusade has never overshadowed. Because of this principle, Latin Americans never supported Kennedy's Alliance for Progress, which was devised as an instrument of social reform: the elites rejected it, fearing loss of privileges, and the intellectuals were suspicious of it.

During that period, studies by the Economic Commission for Latin America emerged, recommending economic integration as an effective instrument for the industrialization of Latin America. The first Montevideo Treaty was signed in 1960, creating the Latin American Free Trade Association (LAFTA). Andean and Caribbean countries adopted subregional integration mechanisms without much success.

The atmosphere of social unrest and political instability on the continent would soon give way to the establishment of a number of military, right-wing dictatorships throughout Latin America. The integrationist movement did not seem to rally much support either from the United States or from the deeply nationalistic military governments.

The 1970s brought the oil and debt crises. By joining the Organization of Petroleum Exporting Countries (OPEC), some Latin American countries made a gesture of independence from Western influence and, furthermore, defied the 1975 U.S. trade bill that excluded from its benefits nations that joined cartels to raise raw materials prices.

During the 1980s, Latin American countries began two initiatives that seemed to assert their will to pursue policies independent from U.S. participation. First, economic integration was revived with the celebration of a second Montevideo Treaty, which replaced LAFTA with a more flexible integration mechanism called the Latin American Integration Association (LAIA). Second, a forum for political consultation was established, called the Rio Group, comprising only Latin American countries, aimed at first as a means to pacify the military conflict in Central America, and later as a forum to discuss issues of primary concern for Latin America, such as foreign debt.

By the middle of the decade—as most Latin American countries under military regimes gradually returned to democracy—a new initiative toward integration took shape. Initially, it involved only the two largest economies in the Southern Cone, Argentina and Brazil. In 1991, with Uruguay and Para-

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guay joining, the Asunción Treaty was signed, thus creating Mercosul, the first economic bloc in Latin America whose impact on the flow of regional trade was capable of attracting the attention of both the United States and the European Union. Trade among the Mercosul countries increased more than 400 percent in eight years, reaching about \$20 billion in 1998.

By the time the Asunción Treaty was signed, countries like Brazil, Argentina, and Mexico had industrialized further, and their exports had ceased to depend as heavily as before on raw materials and commodities. Most Latin American countries were now under democratic regimes and were making a tremendous effort to implement the necessary reforms—both economic and institutional—that would allow their economies to better participate in the globalized world. A report issued by CSIS in December 1999, regarding the transformations sweeping Latin America in the 1990s, stated, “The new attitude of public- and private-sector leaders represents a philosophical sea change regarding the role of government, the importance of more liberalized markets, the salience of more transparent institutions, and the impact of technology.”⁵

A New Regional Relationship

With the end of the Cold War, and relative political and economic stability in Latin American countries, a new era has begun in the relationship between the United States and Latin America, now focused on trade and investment rather than on security and ideology.

In the early 1990s, President George Bush made the first proposals related to the Initiative for the Americas Enterprise. Just three months after the establishment of Mercosul, in June 1991, the four Mercosul countries and the United States signed an agreement establishing a Consultative Council on Trade and Investment to “pursue a growing opening of markets between the United States and the four South American countries.”

Having successfully concluded the North American Free Trade Agreement with Mexico and Canada, the Clinton administration sponsored a 1994 summit in Miami for all democratically elected heads of state in the region to launch an ambitious project aimed at establishing a Free Trade Area of the Americas (FTAA). The Declaration of Principles signed on that occasion pledged the determination of the 34 countries to “establish a partnership for development and prosperity based on democracy, free trade, and sustainable development.” It further recognized “the heterogeneity and diversity of the resources and cultures on the continent.” The proposal met with a mixed reaction in Latin America. Although some sectors perceive the potential advantages it entails, suspicion exists that the FTAA might have been devised to

benefit only U.S. interests, particularly in light of the size of the U.S. economy compared to the rest of the hemisphere (the United States accounts for 70 percent of the hemisphere's gross national product).

Latin America's heavy reliance on exports of commodities and agricultural products, a highly protected sector in industrialized countries, is widely known. During the last decade, Washington raised the subsidies given to U.S. agricultural producers by 300 percent, or \$32 billion, annually. Of course, these policies do not bolster the confidence of Latin American countries in the fairness of the negotiations leading to an FTAA. How can the United States preach the virtues of free trade and open markets while adopting domestic policies that distort competition in the international market? If the United States is prepared to address the sensitive

issues that interest Latin American countries, such as agriculture and anti-dumping actions, and if negotiations are based on reciprocity—decisionmaking by consensus, single undertaking (i.e., nothing is agreed until everything is agreed), and market access in all sectors—then the relationship between the United States and Latin America will surely have reached a new cooperative level.⁶

This new level of cooperation requires U.S. respect for standing agreements within the framework of other integration initiatives under way in Latin America, such as Mercosul. Latin American countries have had to come a long way to perceive themselves finally as belonging to the same region, sharing a common heritage in terms of history, language, and creed. Latin Americans cherish this achievement of a new level of understanding.

Latin Americans may be somewhat suspicious of a certain ideological bias that, in spite of the end of the Cold War, may persist in the U.S. approach to the complex realities of the region. This kind of approach may result in a failure to grasp some of the region's more subtle aspects, those that escape old labels. One undesirable consequence of this failure would be the opening of a communication gap between U.S. negotiators and their Latin American counterparts.

Respect for the rich cultural diversity present in 34 nations is essential. Although the United States must be proud of its culture of capitalism and democracy, the decade-old experience of Mercosul shows the importance of approaching negotiations, no matter how asymmetrical the partners, in a spirit of consultation and equality. Unity is not possible if diversity is not recognized and respected.

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The absence of Cuba from the FTAA is another aspect of the initiative that deserves further thought. The guiding values and conditions enshrined in the 1994 declaration—democratic rule, respect for human rights, and free elections—would, by themselves, exclude the possibility of Cuban participation in the initiative. Yet Mexico, Venezuela, and Brazil maintain friendly relations with Cuba and are opposed to the trade embargo imposed by the United States. The question is, what if Cuba complies with the requirements set out in the declaration and holds free elections? If a pro-Socialist government is elected, and if Cuba requests to join the FTAA, would the United States support Cuba's candidacy, in defiance of the fierce opposition of the Cuban American community in Florida? This issue is potentially explosive and would certainly provoke friction within the region.

The U.S.-funded, \$1.3 billion military component in Plan Colombia to eradicate the coca trade—opposed by Venezuela, Brazil, Cuba, and Mexico—is another point that might slow FTAA negotiation. The U.S. military presence in Latin America will always be perceived as a new version of the interventionist policy of Cold War times.

Shaping a Changed World

Along with regionalism, a global system is operating that escapes any and all attempt at regulation. The Commission on Global Governance, an independent group of 28 leaders,⁷ was established in 1992 with UN support to suggest ways in which our global community could better manage its affairs. In its 1995 report, the Commission wrote, "Our common future will depend on the extent to which people and leaders around the world develop the vision of a better world and the strategies, the institutions, and the will to achieve it."⁸

These conclusions represent a powerful and urgent call to the world's governments. Changes are taking place at a breathtaking pace and on a global scale. One of the most crucial effects of the globalization process is the widening gap between rich and poor. As the Commission's report emphasized, "A sophisticated, globalized, and increasingly affluent world currently coexists with a marginalized global underclass, and this in itself represents a threat both on the national level, but also to the stability of the international system." As a result, "[g]lobal security must be broadened from its traditional focus on the security of states to include the security of people and the planet." Not one international organization currently offers the tools required to deal with the multifaceted aspects of change.

Although specialized agencies—such as the United Nations Educational, Scientific and Cultural Organization, the World Food and Agriculture Organization, and the World Health Organization—enjoy widespread recogni-

tion for the priceless services they have rendered humanity, 50 years after San Francisco, the UN is viewed as a feeble body, inefficient and dispensable, in the eyes of many.

On the other hand, the World Trade Organization (WTO), a more recent creation that emerged from the Uruguay Round of the General Agreement on Tariffs and Trade, presents a dynamic feature of governance: it includes a dispute settlement mechanism. The WTO covers only a limited range of issues, however, and is restricted to trade and investment in areas such as goods, services, intellectual property, antidumping, subsidies, and government procurement.

During his first inaugural address in 1993, President Bill Clinton said: Profound and powerful forces are shaking and remaking the world, and the urgent question of our time is whether we can make change our friend and not our enemy. ... There is no longer division between what is foreign and what is domestic—the world economy, the world environment, the world AIDS crisis, the world arms race—they affect us all. ... Today, as an old order passes, the new world is more free but less stable. Communism's collapse has called forth old animosities and new dangers. Clearly America must continue to lead the world we did so much to make.

This new world calls for the new values of global humanism. Life, liberty, and the pursuit of happiness are not unfamiliar to Americans; they inspired the Founding Fathers. Now these values should be pursued on a global scale. In the new world, seeing millions living near absolute poverty levels and lacking access to safe water and sanitation is no longer tolerable. The development of telecommunications has progressed to allow shocking images of misery to invade our homes and our consciences. Outrageous inequalities coexist with unprecedented levels of prosperity, both within and among countries. The new world order must meet global needs, rather than serve a state-centered version of vested interests. Global humanism presupposes fundamental shifts in the planetary distribution of wealth, environmental protection, and rules of trade and investment that should contemplate the asymmetries between the industrialized and the emerging and low-income economies.

Some have called our time the “age of the environment,” others the “age of globalization,” the “information era,” or the “e-age.” President Fernando Henrique Cardoso once called it “an age of citizenship.”⁹ Indeed, the public protests that have been taking place wherever multilateral economic meetings are held do not leave any doubt about the existence of an emerging

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transnational society. Its organized groups are clamoring for participation in the international decisionmaking process.¹⁰

The challenge then is to devise instruments for the promotion of democratic, global citizenship. Cardoso wrote, "To avoid facile solutions, we must squarely confront the fact that there is a deficit of democratic citizenship at the international level and insist that progressive governance expand beyond the domestic scene." This path involves, of course, mechanisms and institutions that should allow democratic accountability and transparency in the international decisionmaking processes. Globalization has created un-

paralleled concentrations of autocratic power that must be brought under democratic control; otherwise, they will produce poverty and despair for countless millions.¹¹

The United States is the home of the oldest democracy in the world. It is the world's leading power and its most prosperous economy. Its leadership is unchallenged. It has a vibrant civil society. The United States is thus the natural leader to help everyone devise and support the strategies and institu-

tions needed to promote governance of the global society. Among these strategies, UN reform and enhancement would be at the forefront, principally by providing for a more democratic decisionmaking system that would phase out the veto and allow for representatives of a global civil society. Restructuring the architecture of the Bretton Woods institutions; mobilizing international support for implementing Agenda 21, as agreed at the 1992 Rio De Janeiro Conference on Environment and Development; adopting trade and investment regulations that take into account the asymmetries between emerging and low-income economies and the industrialized countries; and strengthening international law by supporting the work of the World Court and the establishment of the International Criminal Court, the statute of which was approved in Rome in July 1998, are other urgent initiatives.¹²

Global governance depends on leadership. After World War II, the United States led the planning process that produced the UN system. Now, as the world faces transformations that once more threaten its survival, the United States must exercise its leadership to create a renewed system of global governance. This action requires political courage, sustained by an ethical vision that goes beyond city, state, and country to encompass the whole of humanity. By doing so, the United States would be acknowledging each country's responsibility for the well-being of the planet. Surely this endeavor will not be an easy task, and it will face opposition at home and abroad. As

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Václav Havel said, however, when addressing the U.S. Congress in 1990:

We are still incapable of understanding that the only genuine backbone of all our actions—if they are to be moral—is responsibility: responsibility to something higher than my family, my country, my firm, my success, responsibility to the order of being where all our actions are indelibly recorded and where, and only where, they will be properly judged.

Perhaps expecting the United States to play that role is wishful thinking. No other country, however, in this crucial time in human history, is more capable of creating a safer and more equitable era for itself and for its global neighborhood than the United States.

Notes

1. Adam Watson, *The Evolution of International Society* (London: Routledge, 1992).
2. Examples of these processes are the European Union, the Andean Community, the Caribbean Common Market, Mercosul, NAFTA, ASEAN, GCC (Gulf Cooperation Council), and so forth.
3. See Watson, *Evolution of International Society*, 198.
4. See Charles W. Kegley Jr. and Eugene R. Wittkopf, *American Foreign Policy* (New York: St. Martin's Press, 1996).
5. See Georges Fauriol and William Perry, *Thinking Strategically about 2005: The United States and South America*, CSIS Americas Program Report, December 1999.
6. Rubens Barbosa, "A View from Brazil," *Washington Quarterly* 24, no. 2 (Spring 2000).
7. Among the officials on the commission were Ingvar Carlsson (Sweden), Shridaath Rampal (Guyana), Oscar Arias (Costa Rica), Barber Conable (United States), Jacques Delors (France), Enrique Iglesias (Uruguay), Celina do Amaral Peixoto (Brazil), and Maurice Strong (Canada).
8. Commission on Global Governance, *Our Global Neighbourhood* (Oxford: Oxford University Press, 1995).
9. Fernando Henrique Cardoso, "An Age of Citizenship," *Foreign Policy* (Summer 2000).
10. Recent examples include Seattle during the WTO Ministerial Meeting in November 1999, that failed to launch the Millennium Round; and in April 2000 in Washington and in October of that same year in Prague, during meetings of the International Monetary Fund and the World Bank.
11. International Baha'i Community, "Who Is Writing the Future?" (New York, 1999).
12. See Commission for Global Governance, *Our Global Neighbourhood*.

