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SHAPING GLOBAL GOVERNANCE: A BRAZILIAN PERSPECTIVE

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ABSTRACT

The article suggests that the rise of transnational threats and challenges in a post uni-polar has found institutions of global governance to be sorely wanting. Growing environmental threats to planetary survival and growing prosperity in emerging economies together are putting a strain on world leaders' ability to deal with such issues, as food riots and the worldwide scramble for raw materials. In the face of lack-luster attempts at revamping multilateral decision-making procedures, Brazil has taken the lead in joining other countries to forge specific agenda-driven coalitions to achieve urgently needed change on critical issues such as fair trade, Agreement on Trade-Related Aspects of Intellectual Property Rights (Trips), financing for development and enhanced South-South trade and investments. The arrival on the scene of the G-20, the India, Brazil and South-Africa group (Ibsa), regional summits, enhanced South American integration are described as examples of such ad hoc coalitions of the willing. Special attention is given to exploring the prospects for the G-8 Outreach, providing a widely spread networking platform that helps bring together around a reformed multilateral system the different actors and forces driving globalization.

RESUMO

O artigo sugere que o aumento da ameaça e dos desafios transnacionais em um mundo pós-unipolar tornou necessário o estabelecimento de instituições de governança global. Tanto as progressivas ameaças ambientais à sobrevivência do planeta quanto a crescente prosperidade das economias emergentes estão causando tensões às habilidades dos líderes mundiais, para tratar de temas como os conflitos alimentares e a luta mundial em busca de matérias-primas. Em face das frágeis tentativas de restaurar acordos e ações multilaterais, o Brasil, aliado a outros países, assumiu a liderança na criação de coalizões voltadas a uma agenda específica, que pudesse alcançar as mudanças necessárias em temas cruciais como o comércio justo, o Tratado sobre Direitos de Propriedade Intelectual Relacionado ao Comércio Internacional (Trips), o financiamento para o desenvolvimento e o aumento no comércio e nos investimentos Sul-Sul. O surgimento do G-20, do grupo formado por Índia, Brasil e África do Sul (Ibas), de cúpulas regionais e de uma integração sul-americana aprofundada são exemplos dessas coalizões voluntárias *ad hoc*. Atenção especial é dada às perspectivas a respeito dos encontros preliminares à reunião do G-8, que construirão uma ampla plataforma para ajudar a reunir, em um sistema multilateral reformado, os diferentes atores e forças que conduzem a globalização.

Introduction: the challenge of global governance

Never has the international community looked to multilateral institutions more searchingly and found them to be so wanting. We live in the midst of new and growing threats from climate change, global terrorism and diseases, transnational crime and intra-state violence. At the same time, old ones, such as poverty and the arms race, are still with us. Yet, there seems to be few signs that the world community is any nearer to coming to terms with the urgent need for effective global governance. Is it any thing beyond a distant chimera?

The most recent report of the Intergovernmental Panel on Climate Change (IPCC) brings both the immediacy and the long-term implications of this question into sharp focus. The Panel's most significant conclusion is not that the weather has become fickle – we have known that for some time – but rather that human activity is now a major contributing factor. Whose responsibility is it then?

In today's environmentally conscious world, these findings serve as a cautionary metaphor for the wider challenge facing us: how to adequately allocate responsibilities between those wishing to preserve their present-day affluence and those seeking to achieve comparable levels of prosperity? How to set up an international framework for dialogue and cooperation that makes interdependence, a force for collaborative endeavor, rather than an excuse to seek unilateral advantages in the best free-rider tradition?

The moral hazard of not arriving at a meaningful consensus on how to share costs and burdens is hard to underestimate. One has only to consider the more pessimistic scenarios outlined, by the IPCC to catch a glimpse of the possible impact of collective failure.

This challenge has taken on an added urgency given the profound shift underway in the balance of world power associated with the rise of the so-called emerging economies of the Global South². Thanks largely to globalization, these new arrivals have successfully carved out a highly competitive and profitable niche for themselves in the international division of labor. The enhanced prosperity of their burgeoning middle classes has put unheard of pressure on global stocks of raw materials. The upshot has been growing tension and uncertainty: food riots and unseemly skirmishes between rival powers scrambling to guarantee privileged access to worldwide supplies of foodstuffs, as well as mineral and energy resources.

² A slew of recent books attempts to provide perspective on signs of the coming of the end of the era of American dominance and its global geopolitical implications. These include Robert Kagan's, *The Return of History and the End of Dreams*; Parag Khanna's *The Second World*; and Fareed Zakaria's *The rise of the rest: The Post-American World*.

Going Global or Going Democratic?

Distributing costs and responsibilities has always been at the core of the debate on global governance. In times of globalization, however, this is an especially trying task. On the one hand, the free-flow of ideas, goods and technology has made us all increasingly interdependent. Globalization is almost by definition the ensuing rise in mutual economic, environmental and security dependency, for better or worse. In theory, this should be a powerful incentive for nations and individuals to work towards cooperative arrangements, thus multiplying globalization's benefits and mitigating its well-known downside. Yet, on the other hand, the very forces unleashed by globalization have helped exacerbate pre-existing disparities in living standards within and among nations, as well as magnify the impact of the attendant social and economic contrasts. After all, the unhampered movement of beliefs, images and people fosters not only admiration and emulation, but also envy and frustration.

From a developing country perspective, the dilemma is especially severe. For most, the inevitable price of joining the emerging global economy would seem to be considerable loss of sovereign control and regulation over much of public policy, as the logic of mass integrated markets imposes itself. Yet, pushing in the opposite direction is the call for a reversal of the large-scale government retrenchment seen in the eighties and nineties. The global financial crises, that soon followed hit developing countries especially hard. A critical lesson was brought home about the State's irreplaceable role in providing strategic planning, anti-cyclical economic policies and basic public services, especially in the face of major economic turmoil and social dislocation³.

Nowhere have these countervailing forces jostled more strongly than in Latin America. Nowhere was the Washington Consensus more thoroughly tested and with more painful consequences. Nowhere has the reaction been stronger, in the form of an outpouring of grass-roots democracy, oftentimes in the form of economic – and especially energy – nationalism and anti-globalization sentiment. How, then, to avoid the populist temptation and ensure that democratic institutions are strengthened – and not weakened – by the struggle to bring to all the promised fruits of widespread prosperity? To put it in another way: how to guarantee that the formal trappings of democracy are not made into a charade, but rather effectively translate into economic advancement for all citizens?

What, if any, is the role here for multilateral diplomacy? Back in the heyday of the non-aligned movement, in the late fifties and early sixties, developing

³ As recently as 2005, the best selling author Thomas Friedman had declared that "the world is flat", since the Internet and other planet-spanning technologies were diluting national boundaries. No longer. Pulitzer Prize-winning author Daniel Yergin, whose 1998 book, "The Commanding Heights," described the triumph of markets over nations, now suggests that the global economy appears to be entering an epoch in which governments – some might call it resurgent nationalism – are reasserting their role in the lives of individuals and nations. In contrast, in "When the flag came down" Ian Thomas writes cogently of the challenges to national sovereignty presented - the case in point being India – by globalization.

countries looked to international organizations for support, as the call went out for a new economic world order to overthrow the cold war. By funneling resources away from massive weapons build-up into financing for development, prosperity for all was the expected dividend of peace.

The almost unanimous support for the 1991 gulf war seemed to many to usher in a new global era of truly collective security. These high hopes were quickly dashed, however, when previously suppressed regional conflicts with ethnic, religious or irredentist tones were suddenly revived as the political and security constraints imposed by the cold war melted away. The failure of the United Nations (UN) as a moderating force was brought out in the starkest of terms when it did too little too late to avoid mass killings in the Sudan, in Somalia and, most notoriously, to stop the Rwandan genocide. Human rights were often the main victim, together with multilateral goodwill. At the same time, the challenge of disarmament and non-proliferation remained unattended, together with the need to mold international trade into a more effective tool for development and combating endemic poverty. Up to and including the Uruguay Round of the Gatt⁴ well into the nineties, developing countries were making major concessions on access to their industrial markets, without a reciprocal opening of agricultural markets in developed countries. And more recently, international terrorism and climate change have put a further strain on global cooperation, with developing countries, often being the weakest link.

No wonder that countries of the Global South often consider existing fora to be largely irrelevant to their needs, catering foremost to Western-driven agendas. The debility of multilateral institutions is at the core of this malaise. No doubt, membership growth over recent decades and unrealistic expectations have helped make it even more unwieldy, but there is no denying that the core problem lies elsewhere. In the case of the United Nations, as the members holding the balance of power in 1945, lost their initially comfortable majority to de-colonization in the sixties, the General Assembly progressively lost out to the Security Council, with its privileged veto-holders, as the main deliberative and executive body within the Organization. Through what has become known, as the securitization of the international agenda, the Security Council has more recently further overstepped its original mandate. It now deals with issues such as climate change, Africa and debt cancellation, despite regular protests to the contrary. The USA's invasion of Iraq in 2003, in flagrant disregard of the Security Council itself, took the process to its logical conclusion. Washington's preference for circumventing obdurate multilateral fora by forging so-called coalitions of the willing has further damaged the UN system and left many to despair of its future. Under the guise of a so-called global war on terror, unleashed by the september 9 attacks against the World Trade Center, in New York, the doctrine of preemption has gained currency and the Geneva Conventions of 1949⁵ have been questioned, with Arab and Islamic nations as the most obvious targets.

⁴ *The General Agreement on Trade and Tariffs.*

⁵ *All Conventions deal with international humanitarian law.*

Similarly, demands for trade talks to become more open, transparent and representative have also gone largely unheeded. This explains that the transmutation of the Gatt into the World Trade Organization (WTO) has had minimal impact in redressing the balance of power within the current Doha Round of negotiations.

These attitudes strongly reinforce suspicions, prejudices and resentment that in turn kindle resistance to effective international cooperation on legitimate humanitarian and human rights grounds⁶. The upshot is unfortunate for the rule of law. Major powers and vulnerable States alike vie, for example, to emasculate the International Criminal Court. At the same time, the refusal of nuclear States to fulfill their side of the bargain in the Non-Proliferation Treaty means that the incentive to go nuclear has never been greater. The weakening of a sense of collective purpose renders more remote the likelihood of nations making common cause against the underlying economic distress and social despair that offer a foothold for political violence and religious fundamentalism.

Latin Lessons

Throughout its long history of struggle against imprecise borders, social unrest and political upheaval at home, as well as threats of foreign intervention, Latin America has learnt the importance of putting in place effective confidence-building measure. The region is proud of its pioneering experiment with a coherent body of international law enshrining non-intervention in the domestic affairs of neighboring countries and restraining the use of force. Therein rests Latin America's conscious renunciation of weapons of mass destruction⁷ and its low levels of expenditure on armaments – not on rose-tinted, starry-eyed visions of human nature.

To the rule of international law we now add democracy. The most important developed in the region is the so-called democratic clause, adopted by Mercosul⁸ in 1996⁹ and included in the Inter-American Democratic Charter, adopted, ironically enough, on September 11, 2001. This, rather than terrorist attacks, was Latin America's response to the challenge of modernity. In both cases, States whose elected authorities have been unlawfully removed will be suspended from the Organization of American States (OAS). The threat of intense economic and political ostracism has shown itself to be highly effective inducement for those seeking office or the satisfaction of their political grievances to act by constitutional means¹⁰.

⁶ This concern is underscored by discouraging signs that the new Human Rights Council, set up in the wake of the "In Larger Freedom" report, is floundering under the same kind of politicking as its predecessor.

⁷ Enshrined in the 1967 Tlatelolco Treaty.

⁸ The customs union between Argentina, Brazil, Paraguay, Uruguay and, more recently, Venezuela, launched in 1991.

⁹ The concept was formally enshrined in the 1999 Ushuaia Protocol.

¹⁰ Recent examples are: i) the return to power of President Chávez, in Venezuela, after a failed civilian-military takeover attempt in 2002; ii) the inauguration of the duly-elected Vice-Presidents Noboa in Ecuador (2000) and Mesa in Bolivia (2004) after the respective heads of state stepped down under overwhelming political pressure; and iii) the constitutional transition of power in Paraguay from President Cubas Grau to Luís Gonzalez Macchi (1999). Such arrangements seem much more effective in ensuring political stability than the setting up of rapid deployment forces in Latin America or elsewhere. Intervention forces, i.e. military missions sent to member states without the full approval of local authorities, should be a measure of last resort preferably left to the purview of the UN Security Council, which holds ultimate legitimacy to authorize such extreme measures.

Strengthening Multilateralism: the UN response

In contrast, fostering the rule of law and creating the conditions for democracy to flourish – domestically and within the multilateral arena – have figured modestly in the UN's response to the challenge presented by the US invasion of Iraq and of the widespread criticism of the Rwandan fiasco. The 2004 High-Level Panel on Threats, Challenges and Change did not question the status quo in the Security Council nor in the Bretton Woods institutions, so as to accommodate emerging economies and developing countries, generally in a more representative and democratic framework. Furthermore, by not directly challenging US preemption theory, it makes no significant dent on unilateralism. Nor are measures to revive the General Assembly, as the only forum with universal representation, given serious consideration.

In reaction to both the security imperative of post-September 9 as well as to the groundswell of support for more effective aid for development, the UN has tried to retool conceptually the notion of security. The linkage between sustainable development and conflict prevention, which is at the center of Kofi Annan's 2005 "In Larger Freedom", seeks to capture the seamless continuum between individual well being and collective safety¹¹. The setting up of the Peace-Building Commission, to oversee post-conflict rebuilding efforts, is a positive but still largely untested step in this direction¹². The report acknowledges that the economics of hope is the ultimate guarantor of peace. Despite the vast canvas on which globalization plays itself out, threats – alike politics – no matter how global, are ultimately local. The emphasis on implementation of the Millennium Development Goals (MDGs) does not, however, answer concerns about an unfair economic and trade regime that handicaps growth and technological advancement. The MDGs are narrowly focused and do not address the needs of middle-income developing countries, growing inequality and the wider dimensions of human development.

Coalitions of the Willing

The proposed changes are therefore not a blueprint for major reform. Yet, global challenges and crises will not wait for multilateral housekeeping to take place. Brazilian foreign policy has historically focused on altering the international status quo in two fields critical to achieving national development goals: reform of the international trade and finance regime and the aggiornamento of global collective security arrangements. In this endeavor, the effectiveness of traditional multilateral negotiating blocks, like the G-77¹³, has come under severe strain for trying to be

¹¹ This concept seems preferable to that of human security and its variations, which carry undesirable military and interventionist undertones.

¹² The fact that the body is answerable to the Security Council rather than the Economic and Social Council (Ecosoc), however, does not bode well and is a damning comment on how little say has the UN on economic matters.

¹³ A parliamentary coalition of countries seeking to advance issues related to development through multilateral negotiations. Formed initially by 77 countries it now numbers over 130.

all things to all parts in an increasingly complex and fragmented international environment. What modicum of progress has been achieved is largely centered in areas where specific coalitions of like-minded developing countries have been able to work together around sharply honed agendas with clear-cut goals.

The most notable of these is doubtless the G-20. Representing 22% of world agriculture production, over 70% of farmers and 60% of the planet's population – in tandem with the African, Caribbean and Pacific Group (the ACP States) and other developing country associations – the G-20's arrival on the scene has ensured at the very least that no further WTO trade-distorting agreements will be foisted on farmers in Latin America, Africa and Asia. Brazil has played a pivotal role in the struggle to insure that exports earnings – often the main source of employment and foreign revenue – will continue to be a motor of growth in the developing world. A crucial milestone was last year's WTO panel decision – instigated by Brazil – condemning subsidies by developed countries to their local cotton producers. The main beneficiaries of this landmark determination are those African economies heavily dependent on export earnings from this commodity.

Piecemeal review of intellectual property protection clauses has also been achieved, under pressure from developing countries, many with nascent drug industries. As a result of a decision by the WTO in 2001 on the Agreement on Trade-Related Aspects of Intellectual Property Rights (Trips) on public health, patent rights and the accruing profits of pharmaceuticals will no longer trump public welfare policy and general access to cheap generic drugs, as in the case of anti-retrovirals in Aids treatments. Furthermore, rich countries agreed to help fund generic drugs programs in poor countries. Here again is a policy to empower developing countries to help themselves.

Nowhere is the need for a review of the ground rules governing international relations more obvious than in development financing. At present, a battle is being waged for the heart and soul of the Bretton Woods institutions, as developing countries demand access to adequate funding for infrastructure investments required for long-term growth and job creation. The end to hereditary claims on the top post at the International Monetary Fund (IMF) – which goes to Europeans – and at the World Bank – which goes to Americans – is a first and necessary step in ensuring that emerging economies and developing countries generally have a greater say in decision-making. One important test of this resolve will be the reaction to two long-standing proposals by Brazil, concerning the Fund's accountancy rules and procedures. Firstly, there is no reason for productive public sector investments to be chalked up on national accounts as expenditure. This further restricts, the already meager resources available for growth stimulus even to countries like Brazil, that have a proven track record in sound economic management. Secondly, we propose that the Fund make available to fiscally responsible developing countries an emergency credit line, that could be drawn on at a very short notice. By avoiding the complex and time-consuming requirements normally demanded for IMF disbursements, financial authorities in affected parts could better counter unforeseen threats to economic stability resulting from massive speculative capital exodus, that is a hallmark of today's global capitalism.

Axis of Good

Critical to the maintenance and enlargement of these as yet modest achievements is the fostering of relatively broad-based institutionalized coalitions of the willing around major reform questions; an axis of good.

A shared commitment to open and sound government is behind the India, Brazil and South Africa Forum (Ibsa). It encourages working together on a wide range of trade, security, science and technology issues between countries with leadership credentials in their regions and which happen to be the three largest democracies in the developing world. Ibsa has set up a fund within the United Nations Development Program (UNDP) to identify and finance good practices in education, health and basic sanitation projects in third countries.

South America integration, which Brazil has consistently championed, provides a regional platform for global negotiations on many of the issues mentioned above. Furthermore, trade, financing and infrastructure initiatives underway to overcome regional social and economic disparities also offer a useful sounding board for innovative proposals on the global stage.

Another way to build on the growing role of the global South in international trade is through the revamping of the Global System of Trade Preferences Among Developing Countries (GSTP). At the 2004 United Nations Conference on Trade and Development (Unctad), held in São Paulo, negotiations were launched to reduce tariffs among countries in South America, Africa and Asia and to strengthen their hand in trade talks with industrialized countries and trade blocks.

The political groundwork for much of this has been encouraged by the South America - Arab Countries Summit, (Brasilia, 2005) and by the South America - Africa Summit (Abuja, 2006). These are the first large international meetings in recent memory, outside of the regular schedule of the UN, aiming to bring together large and important blocks of developing countries. By setting up transatlantic partnerships spanning major geographical, cultural and political distances, these initiatives have helped to reinforce a sense of common purpose and forged commitment.

Brazil's initiative in proposing both events had, as a point of departure, a desire to exploit strong ethnic, historical and cultural bonds with these regions. In the case of Africa, more particularly, Brazil has sought to engage with and encourage the continent undergoing profound transformations that are setting the stage for long-delayed institutional and economic stability. President Lula has traveled to that continent every year since taking office, having visited over 20 countries. Cooperation programs range from improvement in manioc cultivation in São Tomé and Príncipe to setting up a pharmaceutical plant for Aids drugs in Mozambique. By taking part in development schemes and technical cooperation projects aimed at capacity building, Brazil seeks to contribute to the New Partnership for Africa's Development (Nepad). African ownership, as African proudly call it, takes the form of specific commitments on questions of administrative transparency and democratic practices, human rights protection and priority investment in

education and health. These undertakings and attendant oversight schemes offer an encouraging framework to attract much-needed international cooperation and long-term foreign investment.

This process of domestic reform is matched at the regional level by the creation of the African Union (AU), in lieu of the long-lived Organization of African Unity (OAU). The institutional changes involved reflect a new willingness on the part of much of Africa's leadership to act in concert to outlaw military adventurism in the continent. The AU has provided support – directly or via sub-regional security and cooperation arrangement – to peacekeeping and peace-building missions. Although with varying degrees of success, Africa has diligently sought out durable solutions to complex social, political and ethnic tensions still plaguing large swaths of the region¹⁴ and often harking back to colonial times. Brazil has been actively engaged – in particular through the Community of Portuguese-Speaking Countries (CPLP) – in the Continent's efforts to meet the requirements of post-conflict reconstruction and reconciliation in Angola, Guinea Bissau, São Tomé and Príncipe, and the Democratic Republic of the Congo¹⁵.

Brazil's determination to show that security and development must go hand in hand is best seen in Haiti. The international community faces the challenge of putting in place an ambitious mix of economic, social and security policies to help the country to gradually edge back towards sustainable development and away from endemic instability. Brazil's decision to accept the challenge of leading the military wing of the UN mandated stabilizing mission to Haiti (Minustah) – the first headed by Brazil – was motivated by a desire to help developing and applying integrated policies to deal with the multi-pronged challenges besetting countries such as Haiti¹⁶. Brazil's leadership in Haiti gives it a powerful voice to call on the international community to intensify its financial and political support for the transition underway. The point is that post-conflict nation building is not only possible, but also inescapable, if Haiti is to “cease waging a never-ending war against its own children”¹⁷. Otherwise, chronic political instability and social unrest will continue to plague the Haitian people and reinforce fears that the country could become a staging ground for illicit transnational activities in the Caribbean region and further a field.

Possibly the most innovative and potentially far-reaching of these coalitions is the International Action Plan Against Hunger and Extreme Poverty, launched by Brazil, Chile and France in 2004. A non-sectarian fusion of the Davos and Porto Alegre agendas¹⁸, it offers a framework for civil society to engage more

¹⁴ *The Peace and Security Council was set up to strengthen the peace initiatives by the AU. As well as monitoring political developments in a dozen countries, the Council has focused efforts in those areas where pacification has been slowest: Darfur, Côte d'Ivoire, the Democratic Republic of the Congo and between Ethiopia and Eritrea.*

¹⁵ *In 2003, Brazil took part, under European Union coordination, in the peacekeeping mission to that country.*

¹⁶ *Brazil has strongly lobbied for economic and social considerations to be brought to bear in the peace operations in East Timor and Guinea Bissau*

¹⁷ *President René Préval, speaking at the opening session of the UN General Assembly, September 2007.*

¹⁸ *The World Social Forum, known as the Porto Alegre Forum, was set up as a counterpoint to the World Economic Forum, held yearly at Davos. Commonly associated with the anti-globalization movement, the Porto Alegre Forum brings together Non-Government Organizations (NGOs) and other civil society actors to discuss issues related to global governance.*

directly in raising the resources necessary to achieve the MDGs. One of its most meaningful outcomes so far has been the setting up of the International Drug Purchase Facility (Unitaid), bringing together donors from all continents to help finance the fight against Aids and poor man's diseases such as malaria and tuberculosis. It is an innovative financial scheme outside of direct government control, financed by a modest tax on airlines tickets that has raised, in 2007 alone, over US\$ 300 million for patients in 65 countries. It is a global citizens' initiative whereby passengers boarding a plane are anonymously helping the needy all over the world. Something unheard of is being forged: a system of taxation on a global scale outside of national boundaries that answers to widespread concerns voiced through non-governmental agencies.

The European Union: new global player?

As it goes through enlargement and institutional consolidation, the European Union (EU) has shown an increasing determination to develop an effective self-standing security framework within a coherent set of foreign policy goals geared to multilateral democracy. The launching, last July, of a Strategic Partnership between Brazil and the EU – following on similar agreements with other emerging economies – is a further indication of the Block's willingness to cease being an "economic giant and political pygmy"¹⁹, by taking on both at home and abroad a role commensurate to its clout. It is also an indication of the possibilities of Brazil and the European Union joining forces to tackle comprehensively: i) reform of the international trade and finance regime; ii) revamping of existing global collective security arrangements; and iii) energy security and environmental protection issues.

The EU's clearly articulated desire to come out from under the North Atlantic Treaty Organization's (Nato) wing is significant in that it suggests a willingness to take on a full range of activities and responsibilities that mustn't be delegated to circumstantial coalitions at the behest of global or local hegemon. The most important of all is the assurance that – unlike Nato – it will only act under a UN mandate. This ensures that the EU sees itself acting strictly in compliance with international law, and never as a law unto itself. The express support from the European members of the Permanent Five for Brazil to become a fully-fledged member of the UN Security Council paves the way for constructive coordination at the highest level on defense and security issues. In particular, one looks forward to Brazil and the European Union working together to avoid having the debate on global security hijacked by a narrow focus on the unholy alliance of international terrorism, the so-called failed states and the weapons of mass destruction in the hands of non-state actors. Europe's spectacular success in overcoming military rivalries and domesticating economic and political competition among its members has made it into a normative power. It puts a premium on abiding by norms and values arrived at by consensus. It also rejects

¹⁹ Chris Patten, *EU Commissioner for Foreign Affairs. Speech at the European Policy Centre, September 10, 2004.*

the self-satisfied illusions of either simplistic Realpolitik or whatever happens to pass for politically correct.

There is every reason to be confident that the EU will be equally open to progress in other crucial fields such as intellectual property rights, increased overseas development aid and support for achieving the MDGs. European willingness to engage Africa through the Nepad opens a further avenue for joint action with Brazil, so “to transform assault vehicles into bulldozers”²⁰, in the words of Haitian President René Préval. In both cases, we are enthusiastic about the opportunities, in partnership, to disarm the vicious cycle of grinding poverty and endemic strife that has victimized these nations. Ambitious EU goals on curtailing greenhouse emissions and the adoption of biofuels are equally encouraging, especially if coupled with measures aimed at making ethanol a global commodity.

The answer to emerging threats is not to be found in preemptive military strikes, but rather in preemptive monitoring and active engagement at all stages to prevent a restive situation snowballing out of control²¹. The planning and early warning unit being set up by the EU is the best guarantee of this. These are the principles that should guide the EU as it gains confidence and capabilities to enlarge its radius of action in the name of global security.

At the core of this agenda must be the reinstatement of the United Nations as the cornerstone of global governance. To this end, Brazil – along with Latin America and the Caribbean – looks forward to working with the EU on building what some have called, a form of multi-regionalism that reinvigorates the UN’s global reach and effectiveness. Joint action is necessary to strengthen respect for international law, in particular by upholding the need for full observance of human rights and by combating all forms of impunity through, among others, ensuring the effectiveness of the International Criminal Court.

The Israeli–Palestinian conflict is a case in point where Brazil believes the United Nations should be more actively engaged in developing a lasting solution. Keeping this issue as *chasse gardé* will only ensure that a lasting solution is further postponed. At the behest of the Arab League, Brazil – which has roughly 12 million citizens of Arab descent – has sought to actively support the Quartet as it seeks to put into practice the Road Map negotiated between Israel and the Palestinians. As the need for countries with credibility to act as honest brokers becomes painfully clear, Brazil suggested at the UN General Assembly, in 2006, that a peace conference with developing country representation be convened. Brazil also offered to help set up a Friends of Peace Group.

²⁰ *Speaking at the opening session of the UN General Assembly, September, 2007.*

²¹ *Chris Patten, idem. He put it succinctly when he stated: “We want preemptive action by the UN”.*

The G-8 Outreach: mandate for leadership?

The holding of the G-8 Outreach Summits, starting at Evian, in 2003, has – with the exception of the US Summit of 2004 – brought a number of emerging economies, the so-called G-5, into closer dialogue with the G-8. This exercise offers perhaps the most exciting opportunity to develop an open and regular dialogue between some of the major actors in most of the crucial themes requiring global governance. The G-8 has on previous occasions invited specific countries to its yearly Summit for discussions on issues of direct concern to the invitees – most notably Africa. But the dialogue with the G-5 reflects a desire to enlarge its constituency and engage a wider audience.

Since 1975, when the major industrialized economies agreed on the need for closer consultations in the aftermath of the devaluation of the US Dollar and of the first oil crisis, much has changed. Booming emerging economies have become global traders and major overseas investors. Together with private capital flows, they now challenge the ability of the G-8 countries to mold global financial, currency, trade flows and policy. Squaring the circle of environmental protection and global energy security can no longer be achieved without taking into account the growing role of developing countries, both as carbon emitters and as sources of alternative fuels. Such changes were mirrored in the agenda for discussion between the G-8 and the Outreach Group at their latest meeting at Heiligendamm, Germany, in June, 2007. Debate centered on the following themes: i) trans-boundary investments; ii) research and development; iii) combating climate change; iv) energy security; and v) development, in particular in Africa.

The Outreach Group looks forward to further engaging in this dialogue under certain key conditions. First and foremost, the format. By this year's Outreach Summit, the limitations of the present arrangement had become clear. From a G-5 perspective, the exercise is little more than a side event, almost an afterthought, given that the G-5 is excluded from the main deliberations. The so-called Heiligendamm Process, launched this year, seeks to establish the groundwork for a more institutionalized exchange. It will only be meaningful if the G-5 is fully involved in setting the agenda, and not just expecting to sit in G-8 talks covering a few pre-established themes.

Brazil, China, India, Mexico and South Africa wish to be actively engaged from the outset for two obvious reasons. Firstly, these countries and their citizens are often the most directly affected by decisions – or the lack thereof – on the part of the G-8. Suffice to give one revealing example. Back in late seventies, as a result of the inflationary impact of two oil shocks, the then G-7 central banks decided to violently hike interest rates. One unforeseen side effect was a massive and ultimately unmanageable ballooning of the debt burden of many developing countries. Debt default, prolonged recession and massive social dislocation became the byword for the ensuing lost decade. Secondly, many of the most innovative and meaningful proposals on, for example, climate change and financing for development are coming from emerging economies.

The most likely way forward does not necessarily lie in a straightforward enlargement of the G-8 into something like a G-13. The G-8 was born and is still largely guided by nostrums partly rooted in the economic realities and political controversies of the late seventies. The main one being that the economic and military clout of major powers could replace failing multilateral institutions. The end of the cold war, globalization and declining US pre-eminence have put to rest such notions.

The G-5 sees the outreach mechanism fundamentally as a means to help reinvigorate international institutions and decision-making, and not as a further step in the depressing spectacle of flight from the UN system. This is why the G-5 insists that the Outreach Summit, as well as the G-8, should reframe from offering themselves as surrogates for failed multilateralism. Global leadership is required to guarantee that the UN will continue exercise its three unique characteristics: i) ability to integrate peace, security and development; ii) ability to command a global audience to debate major issues (as in the global conferences); and iii) moral authority to mobilize groundswell of support.

What is the way ahead in establishing an equal and enduring partnership between the principal industrialized powers and the top emerging economies? How can such a disparate group be molded into a truly effective coordinating forum that helps bring legitimacy and effectiveness to global governance?

A proposal first aired at Heiligendamm by the G-8 suggests that the Organization for Economic Co-operation and Development (OECD) might serve as a platform for an institutionalized dialogue between the two groupings. This, however, is a problematic given that most of the G-5 is unlikely to join the OECD in the foreseeable future.

This is not to suggest that there is a fundamental conflict of values. A vast majority of developing countries are not at variance with the notions of fostering democracy and upholding human rights, social and labor standards enshrined in the so-called G-8 constitution, the 1975 Rambouillet Declaration.

G-5 countries do, however, have distinct perspectives and priorities on many of these matters. Writing off the debts of the poorest countries, for instance, is a generous gesture. But it would be a largely empty one if it comes at the cost of reduced access to cheap loans or no progress on the Doha Round. Labor and environmental standards are welcome, as long as they do not act, in the end, as non-tariff barriers to protect rich farmers from the competitive edge of their poorer relatives in developing countries.

The outreach mechanism should serve as a regular forum to work out these differences, as countries, come together to deal with common threats and challenges. One possible outcome might be for the Heiligendamm process to evolve as a staging ground for coalitions of the willing, that amplify and give resonance and credibility to coordinated proposals on the issues and challenges facing the world community. As we look to the next G-8 Summit in Hokkaido, Japan, some possible lines of action suggest themselves on the basis of the joint German Presidency/Outreach Group statement adopted at Heiligendamm.

On the environmental front, biofuels can help bridge the apparent dilemma between ensuring global energy security and containing climate change. Sugar-cane-based ethanol and second-generation biofuels, that will soon come on stream, offer cost-effective, renewable and environmentally friendly alternatives to fossil fuels. Large-scale biofuel production reduces dependency on a limited number of oil-producing countries, many of which are located in politically unstable regions. As Brazil's experience eloquently suggests, it also opens up prospects for job and income generation in many poorer countries with few cash-crop alternatives.

On the trade front, concerted efforts are required if the Doha Round is to be brought to a timely and satisfactory conclusion, one that provides the neediest countries with the chance to leverage their way out of poverty through trade. This agreement should do away with tariff barriers on biofuels, opening thus the way for biomass-based energy sources to become internationally traded energy commodities, such as in the case with oil, that suffers no significant trade restrictions. Biofuels can thus help overcome the incoherence between international trade practice and environmental and development policy.

On patent issues, agreement on conditions for compulsory licensing of pharmaceuticals can help ensure that there is adequate funding against major public health hazards, such as Aids and other pandemics.

On the economic front, why must developing countries accumulate such large and costly currency reserves to guard against global speculative money-market movements or financial turbulence not of their making? To offset such risks, the IMF should set up emergency support mechanisms that allow for counter-cyclical macroeconomic policy. Furthermore, Brazil looks forward to G-8 support for its above-mentioned proposals for reviewing accountancy procedures.

Conclusion: global citizens and consumers

These are some of the global governance priorities for developing countries, focusing on issues directly linked to poverty eradication and sustained growth. On all these and other issues, the G-8/Outreach Group could become a clearing-house for new ideas and innovative proposals, helping to enrich and redirect the global debate. This means avoiding the temptation of transforming the G-8 into a quality-control agency, seeking to impose unilaterally worldwide minimum standards on issues ranging from environment protection to investment guarantees. This would seem to be the reasoning behind recent proposals for setting up a Concert of Democracies. It would bring together major international actors in defense of such a liberal international order, but exclude autocratic Russia and China²². The answer lies elsewhere.

²² *Presidential hopeful John McCain, to whom Robert Kagan provides foreign policy advice, has put forward this proposal during the 2008 campaign.*

Global forces can be brought under control most effectively by harnessing markets to the requirements of an international public opinion ever more aware of the need for decision-making that brings onboard the legitimate concerns of all. Global democracy was instrumental in the battle for cheap, accessible anti-retroviral drugs in Aids treatment in developing countries. Similarly, an internationally agreed framework for nationally based certification of social, labor and environmental standards offers an opportunity to leverage widespread public sentiment in favor of green fuels through buyer power. As is already the case with timber, quality seals can assure consumers that they are only purchasing goods that meet minimum standards and that producers have a guaranteed market. Brazil's success in reducing deforestation by 50% since 2003 is partly the result of this policy.

The outreach mechanism could thus be a venue for dialogue and concentrating attention and minds both in and out of government. It thus helps to set the agenda, rather than imposing specific policies and principles. It is, therefore, disingenuous to suggest that summits of world leaders are simply grandiose talk-fests, fancy get-togethers where a lot is said, little decided and even less achieved. The challenge is to make sure that these gatherings remain more than a yearly media distraction and an excuse to energize anti-globalization activists.

Globalization has not so much eroded the leadership role of major developed states as it introduced new actors into the decision-making process, in particular emerging economies and non-state actors. The birth pangs of global governance often seem messy and haphazard. It is up to us to find a format for dialogue that allows mutual dependence to work to the benefit of all, rather than as an excuse to seek one-sided advantages at the expense of the collective welfare.

The flowering of unorthodox coalitions and outreach mechanisms that we are now witnessing offers cause for cautious optimism. These instances of variable geometry diplomacy enable unexpected groupings of countries and blocks to coalesce around specific goals within the global agenda, irrespective of traditional political, economic and ideological cleavages. The way is open to bring to life a widely spread networking platform – a truly global axis of good – that helps bring together around a reformed multilateral system, the different actors and forces driving globalization. From this hopeful vantage point, global governance is an opportunity to be firmly grasped.

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