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Emerging Powers: new partners and new paradigms in a view from the South*

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I would like to congratulate the Think Tanks and Civil society Program of the University of Pennsylvania and the Getulio Vargas Foundation for this important and timely initiative. I also would like to thank professor James McGann for the input he provided in our deliberations and the wonderful group of students for their hospitality.

The issue under consideration is challenging. My comments will revolve around two questions:

1. Is the rise of emerging powers the rise of the "rest" (as Fareed Zakaria has put it) or, the somewhat more intriguing possibility, the rise of the "different"?
2. Is there a chance to build a partnership between the traditional powers – the "western constellation", mainly the G 7 countries- and the emerging countries, (the "rest"; the "different"), or can we only hope for a mere "coexistence", as we seem to have today?.

To anticipate my argument: I believe that, for the sake of international stability, we should aspire to much more than mere co-existence, and that Latin America must play a central role in reconciling the often conflicting visions of the "west" and the "different" to help materialize the new paradigms.

a. The world as it stands

There has undoubtedly been a dramatic change in the international context since the end of the cold war. Perhaps the most important achievement of its ending was the rapid democratization of Eastern Europe, and subsequently, of the developing world. The substance of Non-Alignment switched from confrontation to cooperation. Democratization was followed by a strong impulse towards economic and cultural liberalization in Asia, Africa and Latin America and the Caribbean, prompting a period of modernization, growth, institutional progress and poverty reduction.

Disappointment from the vanishing of the "dividend of the peace"—as was presented at the United Nations by then Secretary General Boutros Boutros-Ghali —and the meager results from the Millennium Declaration, were not an obstacle powerful enough to slow the trend of optimism.

Two decades after the implosion of the Soviet Union, emerging countries are today necessary actors in today's international system. This is a fact that cannot be brushed aside.

However, the global financial crisis has discredited many of the ideas contained in the "liberal consensus" articulated shortly after the demise of the Soviet Union and, together with mixed results in Iraq and Afghanistan, eroded the leadership attributed undisputedly, until then, to the "West".

The consequences of the crisis are clear, mostly in Western Europe but also worldwide, and spare nobody.

The sum of all these circumstances and their future gravity, is precisely what we have

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to discuss. On the one hand, we have more power for developing countries; and, on the other, the perception that leadership by the G7 is increasingly limited. There is no Metternich at hand and the sense that there are too many cooks in the kitchen, seems to further complicate finding solutions accepted by the populations without extreme expressions of distaste.

So, the system has to adjust to the gradual new protagonism of China, India, Russia, Brazil, Mexico, Turkey, Indonesia, Saudi Arabia, South Korea, South Africa and many others. Inevitably, they will have more to say at the United Nations, the World Bank, the IMF, the WTO and the G20. They will push for more representation and greater decision-making power. They, probably, will expect to present different paradigms far from the typical "market consideration" approach. They have been doing so at the G20. Their concerns include unemployment, fiscal parades, Tobin tax, a more "humane" face for the IMF and the World Bank, stimulus rather than austerity, free trade, and little confidence for financial instruments.

All these countries, including Argentina, Peru, Chile and Colombia in Latin America, have been growing consistently during the last ten years and have fared better than the old "metropolis". Together with Brazil and Mexico, they succeeded in reducing their exposure to foreign financial markets, accumulated reserves, controlled their banking system somewhat and attained a sort of immunity from financial volatility. The closing of the economy –one issue much criticized today– has to be read within the framework of the global neo protectionist wave, and not as something desirable or permanent. Actually, emerging countries have increased their imports significantly in recent years.

Latin America and Argentina in particular, have learned that genuine development requires "vertical alliances", to jump towards the best and most qualified, and not merely "horizontal alliances", no matter how comfortable and friendly the latter could be.

All these countries are part of "the rest" and are, in some way, the "different." Whether their policies will be successful in the long run remains to be seen, and will probably depend on the outcome of the global crisis. For the time being, and in the absence of any better and clearer alternative, these inward policies will likely stay in place. Such policies rest upon a safety net provided by the strategic economic valuation of natural

resources such as food, energy, abundance of land, water and mining. In sum, we have witnessed the reversal of the traditional terms of exchange.

Now, to believe that these countries matter, only because they enjoy solid internal markets and have natural resources, would be a miscalculation. They count because, besides the gift of the natural resources, they are making a significant contribution to the international agenda. Even if the economy slows down, the resources will stay.

b. Points of Tension between traditional and emergent powers.

Will the new paradigms leave room for a "partnership" or just for a "coexistence" between the old nobility and the newcomers?

In the international system everything is interconnected. Let's review, then, some critical issues that are emblematic in the discussion between the "north" and the "south".

Security

Are we prepared to make security a real multilateral and consensual concern? Or will a few among us still pretend to stick to the obsolete decision making system at the UN, consisting in veto power and permanent membership? To mention just one very sensitive example: The Libya intervention, disregarding the opinion of Germany, Russia, Brazil, China and India was a typical example of what could be labeled as "reduced group unilateralism", rather than a genuine case for a more consensual, and perhaps less costly solution.

Nuclear technology can be another touchy matter. Is peaceful nuclear development a good technology only for "western" democracies or, in a more pluralistic and diverse world, should it be an option open to more? Is it legitimate to wonder why the Non-Proliferation Treaty is not acceptable to everybody?

The new paradigms will probably be genuine multilateralism and ruling by consensus. No more hurried unilateralism or "group unilateralism" in matters pertaining to the use of force. In matters related to non-proliferation, the views of peaceful and self restrained nuclear countries as Argentina, Brazil, South Africa and Mexico should be taken into account. I wonder who will be in a better position to influence Iran in a negotiating scenario: the five nuclear powers of the Non Prolifera-

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tion Treaty drafted in 1964 at the peak of the cold war, or Argentina, Brazil, South Africa and Germany who decided to refrain from manufacturing nuclear devices even though they have the means to do so?

Human rights and fundamental freedoms

The Universal Declaration of Human Rights of 1948 is a founding document of civilization and should be preserved and strengthened. Yet, it has become a matter of subjectivity and limitation, as was seen in the recently created UN Council on Human Rights (The Syrian tragedy, for instance).

One might ask how many countries today would sign and ratify the Declaration without some serious reservations. Why? Does the Declaration provide room for the growing plurality and diversity of today's world? Why has the nearly forgotten principle of "non intervention" become viable again? Some emerging countries might argue that the "responsibility to protect", even if it is "gaining traction" in the UN system, is not an uncontested paradigm under the current juncture, unless carefully defined. The fear is that it can be used to justify intervention on the ground of violations of human rights against domestic populations. Many, wrongly, do not agree that internal violence should prompt external scrutiny, even within a multilateral framework. Mankind should not accept a set back on the basic substance of human rights but, at the same time, it has to agree that in its implementation and monitoring there have been occasional, and more than occasional, double standards.

Will these views bring about a less robust system of protecting human rights? We have to prevent that from happening. The new paradigm should probably be oriented to give more leverage to regional organizations as for instance, the Panel of "wise men" of the African Union and, in principle, to be ready to go along with any reasonable strategy of action chosen. If everything else fails, the UN Security Council should rapidly act on the basis of consensus. The present Syrian tragedy, again, sets an example of the negative impact of "veto power" in the 21st century.

Corruption

When we turn to corruption the problems deepen and become more difficult. Corruption is a scourge that affects development. It is one of the main reasons for backwardness in Asia and Latin America. It has to do

with bad governance and weak political institutions. It can be related to drug trafficking and organized crime.

Despite the clarity of the problem and the apparent general consensus, multilateral efforts have not achieved tangible results. There is a moral failure and a political failure. The present financial crisis also shows that the problem goes well beyond the developing world. In fact, it has been generated through dubious practices and negligence of immense magnitude by small, but influential groups, embedded in the most powerful nations.

New paradigms will have to deal with all this complexity and recognize that corruption does not "belong" only to the emerging countries. As some presidents in Latin America have underlined (Lula da Silva, Cristina Kirchner), the current global crisis has been caused by "white people with blue eyes". New paradigms will have to neutralize the risk and consequences of relying on market-led globalization and will have to move for a better regulation of global finances. Even if this issue is basically of domestic domain, the G20 could make its contribution. Pinpointing only developing countries on this issue would clearly be insufficient.

Trade and development

Emerging countries will ratify their commitment to the multilateral trade system and support the final negotiation of the Doha Round for development. Some might consider that the international trading system has tolerated massive subsidies by developed countries. There is always the issue of agriculture, a sector affected by tariff and non-tariff barriers, and every sort of regulation to complicate free trade. Development will have to be reconciled with the environment. The next Conference to be held in Rio de Janeiro will stress this point.

Paradigms will have to acknowledge the current trend towards neo-protectionism while refraining from encouraging mutual and reciprocal accusations among affected countries. Concrete efforts should be urgently made to alleviate unemployment and to discuss the role of the World Bank and the IMF to that end.

c. The role for Latin America (a little bit of idealism doesn't hurt).

Who is in a position of reconciling the new paradigms for a better governance and real "partnership",

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during this time of turmoil, increasing interdependence and globalization? There is no Metternich and there is no Yalta. No clear winners and no clear losers. No single person is available. The world is lacking the broker that could reconcile the different regions, actors and interests.

But, if instead of looking for a person we look for a group of countries that could put different cards on the table, Latin America would come first. Latin America can be the broker. The G20 could be the scenario.

In fact, Latin America is a region founded on the basis of equality, it has a long tradition of diplomatic arrangements and has no internal conflicts or rivalries elsewhere. It is a region distant from traditional superpower mistrusts. It is a region without nuclear weapons or weapons of mass destruction.

Latin America has created a solid relationship with Russia, China, India, Egypt, Nigeria, South Africa, Angola, and many other relevant actors in Asia and Africa. These countries are strong investors in Latin America. China is Brazil's first trading partner and Argentina's second. Colombia, Peru and Chile are also strong players in Asia.

Yet, Latin America has never distanced itself from the United States and the West. Brazil and Mexico, the biggest economies in the region, are pursuing even closer ties. So are Chile, Colombia and Peru. Argentina, the third largest economy in the region, is a major producer of food, significant producer of minerals and energy (such as biofuels) and has mastered peaceful nuclear and satellite technology. Besides, it is probably the country in the region closest culturally to the "West".

It is a continent in between the traditional and the emergent players, and it is precisely that in between nature, that makes it a vital player in brokering a partnership that can ensure future global stability.

Summing up, if we need a broker, look no further.

But a partnership for a better global governance, should be based on paradigms consecrating equality, limited privileges, politics of inclusion, pluralism and excluding the unilateral use of force. There needs to be a commitment to transparency and once again, to fighting corruption. Paradigms are not created by sudden determination. They are conceived, gradually, by the dynamics of the international system itself. And these are the paradigms coming from the voices of millions of unemployed. This is the voice of the system today. That

is why any conception apart from these premises will entail a setback, hardly to be accepted by emerging countries (and many developed ones as well).

Emerging and developed are not so "different" after all.

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