

ELEVEN

Conclusion

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THE INTERNATIONAL SYSTEM

This book has offered an in-depth analysis of the position of some countries of the European Union and of Mercosul *vis-à-vis* the present international system. An attempt to extract conclusions from different papers and authors, although all geared to the same general purpose, can be approached in two distinct ways. First, one could try to find the common and reciprocally compatible elements in all chapters, eventually indicating their more important discrepancies. Second, one could offer personal reflections on what can be gathered about the subject matter, in light of these chapters.

These brief concluding remarks follow the second approach and attempt to convey what we, the editors, were led to believe after considering the different chapters on the subject. The General Introduction to this research was written as a way of providing the other contributors with the editors' views, without the benefit of knowing their own views. These final remarks are therefore written with the advantage of having evaluated our initial views against the opinions of the writers.

After evaluating the concerns of the international system and the trends for the formation of a new world order, it appears that our original views were predominantly confirmed by the other writers. We are living under the global predominance of the United States (US). In such conditions, the US is increasingly inclined to proceed unilaterally in the international scenario and to avoid its engagement in multilateral arrangements. That same behaviour, however, is increasing international resistance to US unilateralism and stimulating growing pressures in the direction of a multilateral world order. There is growing awareness in the European Union (EU) that it must discharge its responsibilities, primarily in the European continent. There is also dissatisfaction with American unilateralism among its members, particularly in France and Germany but also in Great Britain, despite its Atlanticism. This has led the EU to adopt, since the beginning of the 1990s, a number of measures to give purpose, coherence and visibility to a common foreign and security policy. As part of this initiative, an independent European defence policy with the

corresponding military assets is being constructed, although—at least for the time being—there is no intention to duplicate or bypass NATO.

As Christoph Bertram has stressed, neither world hegemonies have ever been historically permanent, nor can the international system be regulated in a stable and rational way under a regime of unilateralism, even if exercised by an apparently benign power as during the Clinton mandate. Multilateralism is necessary, desirable, and, sooner or later, will inevitably come to prevail. It is preferable for the US to engage in it for its own selfinterest, while being the predominant power, rather than being compelled to do so when a future multipolarity will impose—in conditions much less advantageous to the US—a new international order that could be more unstable than one based essentially on norms and rules.

Jean-Marie Guéhenno has argued that the European Union has a clear interest in a system close to its own model, based neither on US supremacy nor on the pursuit of independence and sovereignty, a third model that aims to be an institutional and political response to interdependence.

Charles Grant analyses the likelihood of the EU becoming a political and security actor, given the fact that in the present international circumstances and the shift in US policies towards more unilateralist power, even the British see that their national interests are better served by a more coherent and effective common European foreign policy with a defence component. This conclusion is encouraged by the fact that most of the security challenges in Europe can be dealt with by the Europeans. The conditions exist for France, Germany and Britain to head up a European Union process to be more than just a civilian power.

Multilateralism, as observed by most of the authors, will depend on the ability of the European Union to assert itself as a global political actor. Is this likely to happen in the near future? In the first decade of the twentyfirst century, the European Union will concentrate on the enlargement process and in making the necessary reforms for a union of 27 states to be manageable. At the same time, it will be consolidating the achievement of Economic and Monetary Union, as exemplified by the euro. As a political power, the Union will be primarily concerned with its regional environment and in gradually developing the military instruments for the European Defence Policy. In short, the Union will become a formidable economic power, speaking with a single voice in trade negotiations and financial institutions but it will take time to transform this weight into equivalent global political influence. Furthermore, the speed of this process could be challenged by external events, such as a more isolationist or even a more unilateralist America—as seems to be the case under the Bush administration.

MERCOSUL

What about Mercosul? The preceding studies, for one thing, have emphasised, even stronger than the General Introduction, the relevance of Mercosul for South America in general, and for Argentina and Brazil in particular. Pinheiro Guimarães presents a very hard picture of the US strategy—practically unopposed by other world powers—to bring the southern half of Latin America, under the guise of a Free Trade Area of the Americas, under the same influence already achieved over its northern part. Only Mercosul, or even Brazil individually, are capable of resisting the satellisation of South America. However, for this, Mercosul must be significantly strengthened, and Brazil and Argentina, among other requirements, have to consolidate, in reciprocally advantageous terms, their operational alliance.

Strengthening Mercosul is not merely a question of intention. Aldo Ferrer shows that the troubles currently affecting Mercosul are neither accidental, nor do they result from bad will from some (supposedly Argentine) interlocutors. Rather, they result from structural reasons, derived from the ‘four capital sins’ incurred by Argentina and Brazil. Overcoming some of those sins requires a lot of time. Two of them are particularly serious, if less time demanding. One, of an attitudinal nature, concerns the extent to which, particularly but not exclusively in Argentina, the neoliberal ideology has contaminated the ruling strata, converting them into accomplices of South America’s subordination to the US. The other, of a structural character, is derived from the excessive financial dependence of both countries (but particularly Argentina), due to systemic deficits of their balance of payments, on the international finance system, controlled by the US.

Mercosul weaknesses are also stressed by Markwald. He underlines the extent to which the lack of a minimally satisfactory degree of institutionalisation prevents the isolation of merely commercial controversies—inevitably, to occur often—from political contamination. Everything becomes political in Mercosul, constantly menacing its inner coherence. However, that lack of institutionalisation is not accidental, but rather due to structural and strategic reasons. Structurally, Brazil is so many times larger than the other participants that any voting system becomes unacceptable, and only a continuous political consensus can regulate Mercosul’s affairs. Strategically, Brazil wishes to keep open its condition and possibilities as a global trader, Mercosul absorbing a minor part of its exports. Moreover, Brazil’s expectation of exercising a consensual regional leadership requires the minimisation of institutional ties in Mercosul.

The problem, as illustrated by Clodoaldo Huguene, is that in the short and medium terms, the US holds the conditions to impose the adoption of the FTAA on South America. This is provided that Mercosul (keeping its unity), or even Brazil alone, in a sustained way, do not frontally oppose it. It is Mercosul’s internal unity, however, which is now seriously threatened. In addition, it is

Brazil's independent disposition, to say and sustain a 'no' to the FTAA project, which is also at stake.

THE ALTERNATIVES

The EU is gradually increasing its internal consistency and enlarging its membership, moving to become a system that covers most of Europe with the exception of states of the former Soviet Union. That system is not likely to become, in the foreseeable future, a federal state. Rather, it will have a growing influence in contributing to the prevalence of a multilateral world regime. The EU favours the consolidation of Mercosul. It sees it as an attempt to adopt its own institutions and a significant contribution for the multilateralisation of the world. It is not prepared, however, to drop its agricultural policy in exchange for closer ties and a free trade agreement with Mercosul. An important agreement, however, could be adopted with Mercosul if, as suggested by Pinheiro Guimarães, the agricultural question is postponed for future discussion. Such agreements would significantly enhance Mercosul's international strength.

However, an important question is emerging as the result of radical shifts in Argentina's foreign policy. As emphasised by Pérez Llana, the Argentinean foreign policy, commanded in the 1980s by political considerations, shifted under Menem, to economic priorities in the 1990s. The Brazilian alliance, formerly crucial, could now be replaced with advantage by the US. This view was shared by the former Economics Minister. Although the de la Rúa government did not follow the policies of its predecessor and he is personally more favourable to Mercosul, close relations with the US continue to be a priority in Argentina, particularly taking into account the delicate financial position of the country. The Argentinean position, if maintained by de la Rúa, transfers most of the burden of dealing with US pressures and the FTAA challenge to Brazil. What is Brazil likely to do?

Amaury de Souza's paper discusses the many limitations currently afflicting the Brazilian state, its financial debility and narrow margins of manoeuvre. On the other hand, however, Brazil is confident of its great future and will do everything possible not to jeopardise it, preserving its maximum international autonomy. Hence, Brazil's willingness to achieve a durable and reciprocally convenient understanding with Argentina, adjusting Mercosul to such a purpose, as well as the willingness to promote an independent South American system of political and economic co-operation before, and preferably in place of, any agreement on the FTAA. The Presidential Summit of August 2000 in Brasilia was an important first step in that direction.

What is the more likely outcome? The appointment in February 2001 of Celso Lafer, enjoying a most favourable reputation in Argentina as Brazil's Foreign Minister, indicated the beginning of a serious effort to restore on solid ground the Argentinean—Brazilian relationship, a policy which is also pursued by the present government. President Cardoso's firm declarations that Brazil would not

join the FTAA if the US did not remove all non-tariff barriers—something strongly opposed by politically very influential American lobbies—created a serious obstacle that President Bush may not be able to surmount. US alternative strategy, as is already apparent, will consist of obtaining support for the FTAA from other South American countries, so placing Brazil in the position of either joining FTAA or becoming isolated in South America.

Brazilian reluctance to join FTAA is based on a well-founded estimate that, particularly with American non-tariff barriers, a regime of free trade will systematically favour the US. This has been reinforced by Canada's arbitrary embargo of Brazilian meat, under the pretext that Brazilian cattle could, theoretically, have been contaminated by a few animals imported from Europe. Although the ban was enforced for a very short time, it was seen in Brazil as an ugly stratagem to harm the country in the international competition between two medium-range jet builders, Canada's Bombardier and Brazil's Embraer. Brazil's Agriculture Minister, Pratini de Moraes, declared that this abusive Canadian measure had buried forever the prospect of Brazilian adoption of the FTAA. Rhetoric discounted, serious damage has been inflicted by Canada on its relationship with Brazil and, consequently, on the possible attractiveness of the FTAA project to Brazil.

At the time of writing, the outcome of the whole question concerning the FTAA, a possible independent South American system and the future of Mercosul is not yet clear. It will mainly depend on what Brazil does. Brazil's interests are envisaged differently, domestically, by a powerful minority sector, integrated by multinational corporations, representatives of foreign interests and members of the traditional elite. They are strongly pro-America and, consequently, pro-FTAA, and a much larger sector, although insufficiently articulated, stressing an independent position for Brazil. The latter sector favours the strengthening of Mercosul, the organisation of an independent South American system, closer relations with Europe, and well-balanced relations with the US.

In the short term the issue was to be decided by the Brazilian government,¹ whose preferences are strongly oriented in the second direction, but whose sharp sense of realism and clear perception of the current limitations of the Brazilian state impose on it a very cautious behaviour. As a matter of fact, in the short term the issue will be strongly influenced by the extent to which President Bush is both willing and capable of removing the non-tariff barriers that block Brazilian exports in exchange obtaining Brazilian adherence to FTAA.

The relevance of that question for Brazil is of such a nature that an eventual acceptance of FTAA, even with the suppression of American nontariff barriers, was to be the object of passionate discussions in the electoral campaign for his succession.

What is at stake, for Brazil, is its willingness and capability for assuming, in the last resort, an isolated opposition to FTAA in Latin America. As observed by Markwald, Brazil, by its large population, immense natural resources and as the

ninth largest economy in the world, enjoys the conditions to be a 'lonely runner'. Moreover, such a position would attract important support from the EU and other independent powers and, after a critical period, would consolidate a Brazilian consensual leadership in South America. However, it would have to face, at least initially, the most serious financial challenges. It is ultimately a choice between a bravely sustained national independence, and a dollar prone to inflation.

The terrorist attack of 11 September 2001 on New York and Washington occurred after the conclusion of this study. There is no doubt that the attack aroused universal and intense indignation, while America's presumed invulnerability—to be enhanced by the proposed anti-missile—proved vulnerable to airliners on domestic flights hijacked by a group of terrorists. The incident was to reveal the existence of a large-scale terrorist network, generally known as al-Qu'aida, an extremist Islamic group operating from Afghanistan with the support of the Taliban.

It is not the purpose of this brief final comment to analyse the innumerable aspects and consequences of that monstrous crime. Suffice it to recall that it aroused the widest possible international condemnation, and that the UN Security Council authorised military intervention in Afghanistan. Additionally—and more importantly—it led President George W. Bush to acknowledge the need for, and American public opinion to support, the construction of a very large international coalition to contain and, ultimately suppress, international terrorism. Initially, this was seen as an indication of America's favourable predisposition towards multilateralism. However, it did not take long for the innate unilateralist tendencies of the new American administration to surface again, as exemplified by its opposition to the International Criminal Court and a vast number of multilateral conventions. The manner in which the Bush administration has responded to the question of Iraq has been a further example of the dominant role played by unilateralists within the administration itself. However, the response of the United Nations Security Council to this American project has demonstrated the continued prevalence of multilateral norms within the international community. Yet the divisions within the European Union over the way in which to respond to the unilateralism of the Bush administration have demonstrated two important aspects of the Union's role in international affairs. On the one hand, it has demonstrated the Union's difficulty in articulating a coherent common position over its vision of international order. On the other hand, it has revealed the vital role that Europe must play in engaging the United States in a multilateral approach to international affairs. Indeed its position as the world's only superpower does not confer—contrary to the assumptions made before 11 September 2001—invulnerability on the United States. In fact, the extent to which the management of global interests and national protection depend on wide-ranging, multilateral co-operation has become evident from the crisis. This is the case, not only in the fight against terrorism but also in confronting an

enormous variety of crises and problems in order to promote international security and justice.

NOTE

1. This was written before the 2002 presidential elections in Brazil which brought Luiz Inacio Lula da Silva to power.