

Victory in Miami? Focusing Global Justice Efforts Beyond FTAA

Mark Engler | November 2003

Good news has arrived for people concerned with workers' rights and the state of the environment in the hemisphere: When trade ministers meet in Miami this month to negotiate the Free Trade Area of the Americas (FTAA), their talks will probably fail. Most likely, their conference will produce only a symbolic declaration of intent and will make no real progress. For those of us who will be protesting the talks, this will be cause for celebration. However, it will also present an important challenge for the global justice movement.

The type of resistance that has gained widespread public attention since the 1999 Seattle, Wash., protests against the World Trade Organization (WTO) has gone far in wresting legitimacy from the neoliberal economic policies long imposed on the developing world and in publicizing the harmful impacts of trade pacts, such as the North American Free Trade Agreement (NAFTA). But the FTAA will fail in Miami less because of such outside opposition than because of resistance from the White House. In the past two years, U.S. President George W. Bush and his administration have been inclined to abandon multilateral approaches to trade and development in favor of a newly unmasked nationalist approach to exercising U.S. power abroad. This approach demands a fresh response from social movements resisting imperialism and corporate globalization.

Rise of Economic Nationalism

The term globalization, while remaining imprecise, in many instances has stood as a code word for imperialism, or wealthy countries wielding their power over developing economies for their own benefit. Few progressive observers of trade and development policy would doubt that Washington has carried on a drive to enrich U.S. corporations, usually at the expense of the poor.

It is clear, however, that the Bush administration's attitude toward globalization differs substantially

from former President Bill Clinton's. In contrast to Clinton's support of multilateral negotiations, Bush's stance is as a nationalist. This idea should surprise no one after the preemptive war in Iraq.

However, our global justice movement has not widely acknowledged that the administration's fervent unilateral approach extends even into the realm of economic relations.

Meanwhile, the echelon of the elite across the globe has watched Bush's military aggression with uneasiness, fearing that his reckless pursuit of U.S. dominance will endanger the global economic system they constructed in past decades.

This wariness was on full display at the February 2003 World Economic Forum, where gathered business leaders and heads of state speculated about whether they weren't better off with Clinton in the White House. A candid e-mail from Newsday's Laurie Garrett (circulated far more widely than the reporter had intended) explained, "Last year the WEF was a lovefest for America. This year the mood was so ugly that it reminded me of what it felt like to be an American overseas in the Reagan years. ... When Colin Powell gave the speech of his life, trying to win over the non-American delegates [to the Iraq war effort], the sharpest attack on his comments came not from Amnesty International or some Islamic representative—it came from the head of the largest bank in the Netherlands! ... These WEF folks are freaked out. They see very bad economics ahead, war, and more terrorism."

In a marked shift from the Clinton era, Bush's economic nationalism has put many of the leading institutions of globalization at risk. The International Monetary Fund (IMF) and World Bank, which served as dominant mechanisms for exercising U.S. power through the 1990s, have been sidelined in the new century. As far back as the 2000 presidential election, analyst Walden Bello, director of Bangkok's Focus on the Global South, foresaw that these two

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leading promoters of the so-called “Washington Consensus” would face an inhospitable four years under Bush. “The Bretton Woods institutions,” Bello wrote, “will lose their liberal internationalist protectors like Treasury Secretary Larry Summers who believe in using the Fund and Bank as central instruments to achieve U.S. foreign economic policy objectives.”

Bello expected that the incoming administration would turn to other mechanisms to pursue its foreign policy goals. This proved to be a wise prediction. The White House has maintained a lukewarm relationship with the IMF and World Bank. In an Oct. 15 article in the Financial Times, development insider Jeffrey Sachs described “the IMF’s management ... grumbling in private” about the United States’ “miserliness,” hindering its development schemes. While the Clinton administration was content to channel foreign assistance through these institutions to support its economic policies, the Bush White House has preferred using direct bilateral aid to further its political aims.

When the administration tried to assemble what it called a “coalition of the willing” for the Iraq war, it largely bypassed the multilateral bodies and instead explicitly tied bilateral aid packages to support for U.S. military policy. In a noteworthy example, the United States offered the Turkish government a package of grants and loans worth tens of billions of dollars in exchange for allowing U.S. troops to use Turkey as a launching point for invasion. (Remarkably, Turkey voted against the deal.) The failure of IMF-imposed policies in places such as Argentina and Bolivia, along with an upsurge of public protest and the standoffishness of the White House, has knocked the IMF off the lofty pedestal it occupied not long ago.

Collapse in Cancún

Compared with the IMF and World Bank, the much smaller and relatively more democratic WTO never stood a chance. The WTO’s one-vote-per-country structure leaves the United States with far less sway than in the other two institutions, where it holds 17% of the vote and wealthy countries dominate. Unable to effectively force concessions in the WTO environment, the Bush administration has

withdrawn. Anyone who was watching on-going trade debates knew well in advance that the most recent WTO talks in Cancún, Mexico, would almost certainly fail; the United States was simply not willing to make the type of compromises, particularly around agricultural subsidies needed to keep the institution afloat. If this fact was not widely advertised among global justice activists, it reflects our own failure of reflection and discussion.

In the wake of collapsed WTO talks in Cancún, U.S. Trade Representative Robert Zoellick declared that the United States would promote smaller regional and bilateral treaties, similar to those that it recently brokered with Chile and Singapore. Expressing his frustration with the so-called “won’t-do” nations that held up trade talks in international bodies, Zoellick has vowed to work with “can-do” nations to secure individual trade agreements—a trade formulation not wholly dissimilar to Bush’s military coalition of the willing. Conveniently for U.S. interests, these “can-do” countries are generally smaller nations with little ability to stand up to the demands of a global superpower. A bilateral approach to trade abandons the dream of a uniform, rules-based economic order in which multinational corporations can function freely. Instead, it represents a bare-knuckles approach to promoting U.S. power, even at the expense of European allies.

Where does this leave the FTAA? A few analysts have grouped the FTAA together with the Central America Free Trade Agreement (CAFTA) and the Middle East Free Trade Area as the type of arrangement that the U.S. will pursue with new vigor as the WTO stagnates. It is more likely that the FTAA will become the next casualty of Bush’s economic nationalism. Together with the United States, Brazil serves as one of the co-chairs of the FTAA talks; yet Brazil is one of the countries that forced a stalemate in Cancún. As *The Economist* recently explained, “Not only are [Brazil and the United States] further apart than ever on the (FTAA) accord’s scope and ambition, but they have spent the past few weeks publicly bad-mouthing each other.” While Washington’s scare tactics have led many of the smaller nations aligned with Brazil to tone down their rhetoric, it seems unlikely that they will accept an FTAA without substantial U.S. concessions. Since those will not be

forthcoming, Miami looks like another occasion for deadlock.

How to Respond?

How, then, should global justice activists respond to this new situation?

Some progressives, such as British journalist George Monbiot, now say that they were wrong in opposing international trade bodies. Seeing Bush's new economic nationalism as more coercive and dangerous than the multilateral institutions, Monbiot argues that we should try to hang on to WTO and reform it as "a Fair Trade Organization, whose purpose is to restrain the rich while emancipating the poor."

Global justice advocates, however, do not necessarily have to accept our enemy's enemy as our friend. Activists have several reasons to maintain a principled stand against agreements such as those sought in the WTO and the FTAA.

First of all, it is likely that the U.S. may return to a Clinton-style approach to globalization in the near future. Many of us who have worked against IMF, World Bank, and WTO policies will also be campaigning wholeheartedly to elect a Democrat in next year's presidential elections. Yet our candidate — if he is Wesley Clark, John Kerry, John Edwards, or even Howard Dean — promises to revive a multilateral program of corporate globalization. These Democrats' vows to include labor and environmental standards in trade agreements closely resemble Clinton's pledges and Vice President Al Gore's promises, all of which amounted to little in practice. The WTO and the FTAA were designed from their inception to promote the interests of multinational corporations and the economic elite. This makes reforming the agreements a difficult and long-term prospect. Global justice advocates may wisely prefer trying to eliminate the enfeebled multilateral structures rather than to risk their resuscitation as powerful instruments of corporate expansion.

Furthermore, we do not have to assume that Cancún fit nicely into the Bush administration plans. The interesting aspect of the summit was not the WTO negotiations' expected failure, but the manner in which it occurred. When the U.S. and European

countries stonewalled on agricultural issues, countries in the developing world, led by Brazil, China, India, and South Africa, formed the "Group of 20-Plus" (G20+) countries, a negotiating block that formed to defend its members' national interests. Certainly, the G20+ is an ambiguous ally for social movements; many of the G20+ trade ministers represent the elite in their own countries, and their objectives do not necessarily coincide with demands of farmers' organizations or union members. For example, even Brazil's socialist president has supported a strategy of trying to open U.S. markets to the South's agricultural exports, while many farmers in the developing world argue they would benefit more from food security strategies that protect their internal markets.

Nevertheless, as Walden Bello argues, the G20+ "is a significant new development that could contribute to altering the global balance of forces. ... The potential of this group was indicated by Celso Amorin, the Brazilian trade minister who has emerged as its spokesman, when he said that it represented over half the world's population and over two-thirds of its farmers. U.S. trade negotiators were right in discerning that the [G20+] represented a resumption of the South's push for a 'new international economic order' in the 1970s." Having resulted in a stern challenge to U.S. hegemony, Cancún may prove damaging not only to the WTO, but also to Bush's economic nationalism.

Miami and Beyond

As the global justice movement prepares for the Miami protests, an appreciation of Washington's new approach to foreign policy need not alter our attitude toward multilateral agreements like the FTAA so much as our priorities and our strategies in challenging the global race to the bottom. Since large-scale international treaties will likely be stalled with or without increased activist pressure, we should use our presence at international gatherings to promote a broader set of goals.

Debt cancellation is one topic that could move to the fore of our attention. Success in the past decade at highlighting the devastating impact of developing countries' loan obligations has created a promising climate for forcing real change. With the Bush

administration promoting debt forgiveness in Iraq, the United States is poorly positioned to fight against such demands. Further analysis of the developments in the global economy that have influenced Bush's economic nationalism will allow us to put the international debt crisis in a context of larger change and to identify other priority issues.

Moving beyond Miami, we need to prevent the Bush administration from framing its nationalist turn as a program to benefit U.S. workers. Today, globalization is increasingly leading to the loss not only of manufacturing work, but also of white-collar jobs in the United States, in the process dubbed "off-shoring."

Bush may attempt to co-opt this issue in the upcoming election—to convert anti-corporate resentment into the type of nationalism witnessed in the era of former President Ronald Reagan, when protests against U.S. factory downsizing were channeled into Japan-bashing. Progressives must show that the neo-conservative empire-building favored by the White House is as detrimental to labor rights and living wages worldwide as the administration's domestic policy of weakening unions and giving tax cuts to the rich is to the great majority of U.S. citizens. Devoting energy to the issue of jobs will be an important means for U.S. activists to ground our movement in the economic realities faced by working people.

Part of our challenge in rejecting the pejorative label of "anti-globalization" is to promote our own multi-lateral agenda—a brand of globalization based on international solidarity and just exchange or fair

trade. This internationalism should affect not only the solutions we promote for job creation, but also our views of trade policy. While opposing coercive arrangements that maximize wealthy countries' ability to leverage concessions from the South, we should highlight poorer countries' efforts to promote inter-regional commerce and to cooperatively develop their internal markets.

An overemphasis on responding to large, multilateral agreements like the WTO and the FTAA as the leading mechanisms of globalization limits our flexibility in rising to the challenge of changing political and economic conditions. With or without the FTAA, the United States will attempt to expand its power abroad. With or without the FTAA, we need to challenge arrangements that place the drive for corporate profit ahead of local protections for workers and the environment. We need to demand an end to forced privatization and to IMF-imposed cuts in social services. And we need to connect the plight of working people in wealthy countries to the struggles of the world's poor. If we continue to be taken by surprise by the Bush administration's economic nationalism, we will lose important opportunities to advance this agenda.

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