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The Argentine foreign policy in the context of regional integration

Rafael Bielsa *

In a passage from her outstanding study on *The Human Condition*, Hannah Arendt remarks: “we can only appreciate the greatness of Homer’s Achilles if we see him as the doer of great deeds and the speaker of great words.”

For Arendt, action is the moment men develop the capacity most peculiar to them: the capacity to be free. Freedom, moreover, is bestowed not so much by the sheer contingency of choosing between alternative courses of action but rather by the capacity for initiative, the ability to transcend what is given and start something new. Action, she reminds us, “creates the condition for remembrance, that is, for history.”

Action and freedom lead us to an interpretation of power. From the perspective Arendt gives us, power is not a resource men can wield individually. It is a relational attribute (the capacity for joint action) so the condition enabling it is plurality. The key to power is not, then, appropriating another’s will to

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attain one's own ends. Instead, it is the shaping of a common will through communication that aims to achieve understanding. That is why politics is essentially done with words.

What significance do these remarks have when it comes to considering Argentine foreign policy in the context of regional integration? Their real significance, to my mind, is that they allow us to map out the epistemological terrain on which the country's international operations unfold.

Let me explain myself. In a world in which uncertainty, risks and disparities have been heightened, moving conscientiously within the existing limits of self-determination requires the strengthening of co-operation, solidarity and the establishment of common ground with countries with whom we share interests, values and outlooks. In an interdependent global arena, that capacity to act concertedly – to work together – with a positive-sum rationale is a power resource that we must prove capable of exploiting to the full.

The foreign policy of democracy

It has become a common practice in certain academic circles and in some journals to play up the ruptures more than the continuities when analysing Argentina's foreign policy from a historical perspective.

It could be said that the ruptures apparent in Argentine foreign policy mirror those that vexed the life of the country itself while it was beset by the chops and changes of dictatorial rule. Conversely, despite their differing shades of colour and emphasis, one can perceive a common thread linking the country's constitutional governments. They have all favoured peace, Latin American unity and respect for international law. This is an approach that the government of President Néstor Kirchner is also endeavouring to advance.

Until 1976, for Argentina the 20th century was marked by the people's struggle to secure their political, social and economic rights. Their struggle was channelled primarily through the country's main political parties and its popular governments. It was thwarted by the breaks with the constitutional order provoked by *coups d'état*. It might seem unnecessary to recall the influence that external circumstances and the prevailing ideological systems had on domestic affairs. The dire effect the Cold War had on the countries in the Southern Cone cannot be understated, though.

The last military dictatorship in Argentina, the self-proclaimed “Process of National Re-organisation” (1976-1983), took the premise of eliminating the “ideological enemy” to extremes. “The Process has objectives but no time limits” was a maxim that marked a break with the tacit understanding that had prevailed until then: that *coups d'état* installed transitional governments to prepare the way for fresh elections once the desired “order” had been imposed. This time round, however, not only were citizens’ political rights abrogated but a deliberate policy of physical extermination was introduced. The issue of human rights in Argentina thus became notorious and painful.

While it set about eliminating the “internal enemy” the Military Junta exaggerated the existence of potential external enemies. These were to be found in the territorial as opposed to the ideological terrain. The regime appealed to a demagogic, anachronous form of nationalism whipped up by the hypothesis of military confrontation with countries on its borders. Just as the dictatorship had stifled civil society’s means of expression, organisation and participation, so it set about dismantling policies promoting co-operation with neighbouring countries – a hallmark of previous constitutional governments.

Based on a seriously misinformed assessment of the international scenario and its alliances, the already debilitated military government of General Galtieri opted for war in a move to recover its strength. The defeat in the Malvinas widened the chink in the armour that the people had begun to prise open on March 30th 1982. After years of oppression and forced silence, they marched on the historic Plaza de Mayo in central Buenos Aires to demand their rights.¹

The reference above to the last military dictatorship makes it easier to contextualise Argentine foreign policy in the democratic phase that followed and to appreciate the progress made over the last two decades. Besides securing full enjoyment of constitutional freedoms, Argentina has established a series of principles relating to its foreign policy that we now steadfastly uphold with great pride.

¹ This was the first mass demonstration against the military dictatorship rallied by the CGT union confederation and human rights organisations to demand “peace, bread and work.”

I refer particularly to the defence of democracy and unfaltering respect for human rights as a core value; the commitment to peace, security, disarmament, non-proliferation of weapons of mass destruction, and condemnation of drug trafficking and international terrorism with strict observance of decisions issuing from the United Nations Security Council; the priority ascribed to regional integration, especially Mercosur, which we now look upon as a political and strategic project whose scope extends well beyond that of a mere trading bloc.

In the framework of a foreign policy committed to peace and multilateralism, I would like to express our desire to further our pacific endeavours to recover the Malvinas Islands. This will entail actions intended to preserve and reaffirm Argentina's sovereign rights over the Islands and their surrounding maritime waters at both bilateral and multilateral levels. Recovering full exercise of sovereignty, with due respect for the islanders' interests and the precepts of international law, is an unrenounceable objective of the Argentine people and a policy of State that the present Government continues to advance.

In this southern hemisphere context, we remain committed to protecting the interests of the international community in Antarctica, ensuring that activities undertaken there comply with the terms of the Antarctic Treaty and the Madrid Protocol on preservation of the environment. In this respect, we are taking action in the appropriate forums to see the Antarctic Treaty Secretariat operating and its authorities instated at their headquarters in the Autonomous City of Buenos Aires.

The Argentine Government intends to be true to the finest of our foreign policy principles and traditions and at the same time to pay heed to the nation's interests. In my opinion, coherence of this sort is achieved by replicating the values of democracy, equality, liberty, social justice and participation that we espouse in the domestic sphere in the international arena.

Thus, the consolidation and modernisation of our democratic institutions at home match the strengthening and updating of international organisations; the principle of equality among citizens reflects the necessary parity among sovereign States; the objective of achieving higher levels of welfare and social equity is on a par with the right of access to international markets without subsidies or unfair competition; social cohesion is one with regional integration;

social solidarity equates with Latin-American solidarity; defence of human rights corresponds to rejection of all species of fundamentalism; preservation of domestic peace and security is analogous to strong condemnation of terrorism and the consolidation of a zone of peace in our region of the world.

Argentina's stance toward the international order

We are at one of those points in time when mankind yearns for a new direction once the reasons that had led it to take the previous tack have lost their shine.

Little more than a decade ago, the fall of the Berlin Wall ushered in a post-Cold War period that tendered the promise of a more balanced, fair and plural world order. Co-operation would upstage conflict among nations and attention be focussed on socio-economic conundrums rather than on the traditional issues of defence and security in international politics. The Utopia of the so-called end of history – despite the heated controversies this notion aroused at the time – somehow expressed the euphoria pervading the air in the context that made such an idea tenable. The post-Cold War order, nonetheless, failed to dispel wars and conflicts.

For their sheer magnitude and organisation, the September 11th attacks in 2001 gave unwonted prominence to the threat of terrorism besides exposing the vulnerability of the entire international community. The novel mode of attack and, no doubt, the target chosen drove home that day the true extent of the threat. As a result, security rebounded once more to the top of the international political agenda.

The brutal attacks on the Israeli Embassy and AMIA² in 1992 and 1994, respectively, had already given us Argentines tragic first-hand experience of this threat. Workers, shopkeepers, children on their way to school – all slain without warning and without explanation. Like Sören Kierkegaard, we could say that a sense of oppression, a dread foreboding of an earthquake nestled in our breast.

² Argentine Jewish Mutual Aid Association.

In the current world scenario not only terrorism but also the violation of human rights, massacres associated with armed conflict and the proliferation of weapons of mass destruction oblige us to be vigilant and never indifferent to such scourges. Our stance, however, must always be one of strict observance of international law and the principles enshrined in the UN and OAS Charters.

We are fully aware that the actors and circumstances that gave birth to the creation of multilateral organisations in the aftermath of World War II have changed. Yet how can we be oblivious to the threat that overweening projects and the oppression they imply pose to such fundamental human rights as the right to life, the right to profess a religion and to express divergent political ideas? The great lesson of the 20th century – hopefully the great lesson learned – consists precisely in not forgetting and so not being doomed to relive the tragedies that have shaken humankind.

Argentina views multilateralism and the prevalence of effective international co-operation as the only path toward building a more pacific, solidary and rational world. We believe that in the current international scenario there is no substitute for the United Nations capable of providing legitimacy for measures to counter threats to world peace and security. Only the concerted action of the international community can provide adequate responses. Multilateral action alone will prove effective and sustainable over time, precisely because it endows the response with legitimacy and enjoys the backing of international public opinion. The Security Council must perform its key role of adopting efficacious measures in situations that could develop into a threat to world peace and security. We thus firmly believe in the need to strengthen the Security Council. We also feel that it should be reformed to ensure that decision-making is more democratic, balanced, representative and transparent.

Our view, however, is based on the premise that a complex dialectics associates problems in world order and security to the possibility of furthering democracy, development and peace.

We have learnt from history that different forms of fundamentalism and hegemonic ambitions tend to snuff out freedom, the most elemental human rights and, above all, peace. Today peace is not simply the antithesis of armed conflict, it is also a form of want for those beset by terror or wracked by famine. This is why we insist on the need to strengthen the United Nations Organization to ensure it is more effective, to demand more even-handed

treatment from the World Trade Organization and exact more democracy from the International Monetary Fund.

Given this scenario, alongside the member states of Mercosur Argentina is engaged in forging new relations and alliances. Their strategy is to create political and economic networks and associations in order to make greater room for negotiation. This can be enriched by viable new options for co-operation and development, and gradually give birth to a multipolar system. Expanding co-operation between Asia and Latin America, for instance, is a concrete step in this direction.

For a variety of historical, geopolitical and cultural reasons, Argentina failed to pay due heed to the extraordinary development achieved by many Asian countries in the closing decades of the 20th century. Explaining this oversight is not easy. We Argentines have had difficulty interpreting certain historical, economic and political processes that, owing to geographical and cultural distances, have seemed alien to us. Argentina has traditionally concentrated on its relations with countries in the Western Hemisphere and in Western Europe, virtually dismissing two thirds of the world, without making any relevant move to reprieve itself. We acknowledge the major role Asia has come to play in international affairs, China, Japan and India to the fore. Even so, we have thus far failed to capitalise on this knowledge when it comes to formulating and carrying out our foreign policy.

In consonance with this outlook on the world, Argentina strives to tender its own discrete but firm, prudent but professional stance in all the available forums in the concert of nations.

This tack is visible, for instance, in the stand we made together with Brazil and other G-10 countries at the Fifth Ministerial Conference of the WTO held in Cancún in September 2003. There we argued for the establishment of an open system of world trade free from the subsidies and barriers that prevent developing countries from generating income in equitable conditions. Despite the results achieved at the Cancún meeting, Argentina continues to demand negotiation on this point. It also insists that the World Trade Organization be a truly multilateral forum providing plural, democratic participation for all its members. It may then deserve to be seen as the best means of obtaining even-handed trade agreements.

The Special Conference on Hemispheric Security held in Mexico in October 2003 likewise stressed the virtues of multilateral scenarios as

appropriate arenas for assessing the circumstances and problems that affect and are of concern to the individual members. The notion of security was extensively debated at the Conference, the strict traditional, defence-based notion being replaced by a pluridimensional concept encompassing aspects related to poverty, disease, obstacles to development and others directly associated with human welfare and security.

We view human security as a component of human development, a concept that has been on the international co-operation agenda for two decades though not hitherto directly connected with “security” proper. Ambiguities and debate aside, human development includes what we hold to be imperative: the fight against hunger, illiteracy, exclusion, ignorance. These are the seedbeds that sprout international terrorism or the emergence of sudden domestic mass migrations with all their attendant cultural, social and economic side-effects.

We know only too well that unregulated negotiations in which one party is much stronger than the other inevitably play into the hand of the stronger and that law is the one mechanism that can restore the balance. So, when it comes to trade, we likewise seek to enhance multilateralism, taking due account of disparities and the need for flexibility.

Our position does not consist in demanding that more developed countries zero their agricultural subsidies from one day to the next. We do, however, require that the market provide the same signs of intent that we demand of ourselves: signs of seeking to promote equitable growth.

Trade negotiations

The Argentine Foreign Office is working simultaneously on diverse trade negotiation fronts.

On the one hand, we have undertaken bi-regional negotiations (e.g. between Mercosur and both the European Union and the Andean Community of Nations) besides those proceeding under the 4 + 1 format. On the other hand, we are playing an active role in hemispheric negotiations aimed at establishing the Free Trade Area of the Americas. Meanwhile, we continue to be an active, constructive negotiator in the multilateral framework, at the WTO. This does not mean, however, that we have neglected bilateral negotiations, by which we seek to gain access to potentially important markets for Argentine exports.

Before going into details about some of the specific actions we have been developing, I should like to stress that we do not negotiate on these different levels to demand principles or ideas that depend on other spheres. Much less do we support the idea of extending warlike metaphors into the arena of international trade. Our purpose is to protect and promote collective interests as best we can and to obtain results that will enable us to generate wealth. This wealth must be adequately distributed in such a way that Argentines currently suffering want and destitution can confidently face the future. For this to occur, they must again be able to perceive as a concrete daily reality the upward social mobility that was once the boast of Argentina, a country forged by native *criollos* and immigrants.

From our standpoint, negotiating arenas are neither good nor bad. Rather, it is good or bad negotiators that lend trade rounds the qualifications they deserve. That is why we reject oppositions like “FTAA versus Mercosur.” It is clear to us that the paradigm to be pursued is integration or “intranscendence,” for our lot lies with that of Latin America and we must therefore do our utmost to bolster our local trade bloc. This, though, hardly implies ceasing to negotiate in the sphere of the Free Trade Area of the Americas or the WTO.

Regarding bi-regional negotiations, at the beginning of 2003 Mercosur and the European Union exchanged their respective improved offers, including agricultural produce and industrial goods. Argentina, together with its Mercosur partners, is willing to make offers in services, investments and government purchases – all sectors of interest to the EU.³ Argentina’s interest in these negotiations is to improve access to the EU market for Argentine products (especially those subject to tariff and non-tariff barriers, the majority in the agriculture and agroindustrial sectors) while consolidating its status as a supplier of top quality foodstuffs.

The imminent sealing of a free trade agreement between Mercosur and the Andean Community of Nations is equally significant given the dimensions of the new trade area it will comprise in South America.

As for the Free Trade Area of the Americas, certain clarifications need to be made in view of the public debate raging at hemispheric level, which Argentine society has followed with keen interest.

³ Argentina’s offer of services includes temporary entry of persons rendering services, and covers services in the following sectors: telecommunications, professional services, construction, distribution, finance and tourism.

In constant liaison with its Mercosur partners, Argentina is participating in negotiations on FTAA. Its primary objective is to effectively open up markets in the region to our exports without leaving the country's more sensitive production sectors unprotected.

We hope to establish a Free Trade Area of the Americas that will contemplate our interests and help promote sustained growth for all the countries in the region. Naturally, if we seek to obtain concrete benefits for ourselves, we must be actively engaged in negotiations. It goes without saying that negotiating does not mean renouncing the sovereign right to determine public policies or assuming commitments that run counter to the State's priority interests. On the contrary, it means defending our interests and pressing home our legitimate demands.

In this respect, I should especially like to underscore the fact that at a meeting in Buenos Aires in October 2003 the Argentine and Brazilian presidents concurred on the need to reach an equitable agreement that respects the disparate interests of the parties. The negotiation process must likewise be sufficiently flexible to develop according to the circumstances of each of the countries and blocs involved. In the same month, Mercosur member states presented a joint declaration at the 15th meeting of the FTAA Trade Negotiation Committee held in Trinidad and Tobago, expressing their interest in constructive negotiation. It was thus a welcome development that it proved possible to move forward on this basis at the high level meeting held one month later in Miami.

Concerning the WTO, despite all the efforts made at the last ministerial conference in Cancún, no substantial headway has been apparent in the negotiation process.

The touchstone of the Doha Round, which is the framework for current negotiations within the WTO, is development, and agriculture is the main focus of these negotiations.

The reason why agriculture is the centrepiece of negotiations is the pivotal role it plays for the welfare and growth prospects of developing countries, particularly the poorest among them. Suffice it to state that 73% of the world's poor live in rural zones and depend on agriculture for their subsistence. Indeed, while vast segments of the world's population struggle to survive on less than two dollars a day, developed countries spend almost one thousand million dollars per day on subsidies for agriculture. It is worth adding that OECD

countries spent five times more money protecting their farmers than they did on aid for development in 2002.

This brief summary of the chief moves our Foreign Ministry has made to consolidate Argentina's standing in the world and, more specifically, to place Argentine products on international markets, is connected – as are events unfolding in the geo-strategic sphere – with the drive to promote a new model of international integration. It is one that will invigorate domestic and global economies by upholding the principles of justice, equity, democracy, participation, transparency, accountability and social inclusion.

Never before have transportation and communication been so swift and cheap. Never before has such broad access been afforded to information and has knowledge been spread so far by electronic media. There is now widespread acceptance that international trade can be beneficial to both importers and exporters. Conversely, though, never before have such sophisticated forms of financial speculation and protectionist measures emerged. This is especially true about agriculture. They deepen disparities, seriously impair fair trade and deny large segments of the world's population the benefits of material progress.

Now more than ever before, interaction in the external arena has a major effect on a country's domestic policies. Even so, this verifiable, undeniable fact does not oblige us to adopt a passive attitude, leaving us at the mercy of the winds. We do not subscribe to views that demonise globalisation. Instead, we prefer to consider it a new stage in the evolution of capitalism, brimming with opportunities for countries willing to venture into it without selling out their people's future and determined to diminish domestic disparities through regional integration and multilateral co-operation.

On this footing, Argentina will continue to work alongside other G-10 countries to further deregulation and reform of global agricultural trade and to ensure that this sector becomes fully compliant with WTO norms. The majority of the members of G-10, which encompasses half the world's population, convened for a meeting in Buenos Aires in October 2003. On the occasion, they reiterated their commitment to the Development Round programme, calling on all members of WTO to resume negotiations in a constructive spirit, setting aside confrontational stances and surmounting ideological barriers. Their aim was to foster the convergence that will pave the way toward achieving a result that is fair and acceptable to all parties.

Without in any way diminishing the importance Argentina ascribes to G-10, our participation in trade negotiations is not confined to this group. We are an equally active member of the Cairns Group, which strongly supports more open markets and easier access for agricultural produce, the elimination of export subsidies and a substantial curtailment of the domestic support measures that distort international trade.

In this sense, the Argentine Foreign Ministry does not see G-10 and the Cairns Group as mutually exclusive options. On the contrary, both defend more equitable trading conditions for agricultural produce and thus have mutually supportive objectives.

The Mercosur outlook

Mercosur, with the prospects it holds out for improvement and expansion, is one of the cornerstones of the Argentine Republic's foreign policy. Indeed, we consider regional integration an irreversible process that requires and demands immediate, serious action to ensure that it will prosper.

Despite the complex phase the integration process has traversed, the member states have given ample proof of their political will to undertake the task of advancing the bloc's institutionalisation. It should particularly be noted that strengthening Mercosur's institutions, improving predictability in the observance and application of the norms they draft, and perfecting the mechanisms for settlement of trade disputes are all measures that not only serve to further integration but also improve the bloc's credibility in the eyes of other parties.

Among the chief recent accomplishments I would first like to highlight approval of the Olivos Protocol on the settlement of disputes, which has led to the creation of Mercosur's first permanent tribunal. The Argentine Congress ratified the Protocol just seven months after it was signed, with Paraguay, Uruguay and Brazil following suit. This mechanism will provide greater legal grounding for the exchange of goods and services besides raising confidence in Mercosur among the business community and investors.

Another important improvement to the institutional structure of the integration process is the creation of a technical consultancy sector in the Mercosur Secretariat. This has been accomplished by transforming the Administrative Secretariat into a Technical Secretariat. By instituting this new

sector comprising four consultants selected by exam and on the basis of experience, Mercosur will henceforth be able to rely on a permanent technical staff mandated to work in the interests of the bloc as a whole rather than for the member countries taken individually.

Equally auspicious is the recent creation of the Commission of Permanent Mercosur Representatives (CRPM) whose brief is to assist the Common Market Council and the Pro-Tempore Chair, to submit proposals to the Common Market Council and to promote economic, social and parliamentary relations within Mercosur. In addition, CRPM has a Chairman with a mandate from the Common Market Council to represent the bloc in its relations with other countries, groups of countries, and international organisations.

The incorporation of Mercosur regulations into the legislation of the member states, on which necessarily depend the prevalence and operativeness of norms applicable to all parties, is crucially important to ensure sound legal grounding for the integration process. One of the main problems hampering the progress of Mercosur at present is precisely delays in incorporating the bloc's regulations. Apart from creating differences in application this also sows unease in the private sector with negative effects on trading and the prospects for investment.

In view of this, we have proposed that the possibility of establishing a procedure allowing for direct application of Mercosur regulations, without the need for legislative ratification in the member states, be analysed. To my mind, this is a challenge that is worth taking up in the short term to guarantee firm legal grounding for the integration process. It would also ensure the effectiveness and applicability of shared regulations and afford operators in the four member states equitable treatment regarding their rights and obligations in the broader common market.

Finally, we should strive to make good the commitment assumed by the member states to assess the feasibility of establishing a Mercosur Parliament. It would serve as a democratic political body that would commit our societies more firmly to the process of regional integration. Just as in the domestic sphere parliaments act as a sounding board for social concerns, the existence of an assembly or Parliament would lend greater legitimacy and transparency to decisions adopted to develop and advance integration, thus enhancing its

political dimension. In my opinion, the creation of a Mercosur Parliament entrusted with the political and social representation of the member states would clearly betoken the bloc's consolidation and maturity.

All these improvements will serve to perfect Mercosur's institutional structure, facilitating co-ordination of technical activities and producing slicker decision-making. It is not a matter of producing more red tape but of creating agile, efficient, professional administrative institutions.

To match the historic moment it is facing, Mercosur must prove it can rise to the challenge of enhancing the international negotiating capacity of each of its members, allowing for more autonomous decision-making. Current circumstances inform us that the development we desire for our countries – understood as a combination of economic growth and social justice – basically depends on such autonomy in decision-making while also demanding a strategic valorisation of regional integration.

Being able to speak with one voice in international forums is a source of power that will enable us to boost our individual capacities for negotiation and action. Meanwhile, however, it is essential that within the bloc the political space of Mercosur be representative of its citizens. It must become the locus for catalysing our values and traditions so as to forge a common future. I believe it is vital to drive this point home as the time comes to build the institutions that will serve these objectives: from supranational tribunals for settlement of disputes to agencies for promoting educational exchange.

What we seek is not merely a trade bloc. We aspire to forge a unified economic, political and cultural space which, by generating a renewed sense of belonging, will empower us to grow as modern, integrated societies. The socio-cultural value of Mercosur will become apparent when its effects can be felt in the day-to-day lives of the bloc's citizens. We do not, of course, intend to become one people but to attain a sense of shared citizenship.

The integration process is at a pass that we should take advantage of. We have a historic opportunity, which is different from a historic challenge. A historic challenge depends solely on an individual who wishes to challenge. A historic opportunity, on the other hand, is an alignment of stars.

Like minds, similar political approaches among governments that think along the same lines and are coincidentally in the early days of their mandates,

in conjunction paint an unsurpassable scenario. Perhaps this illusion of being in our prime will allow us to recoup the drive needed to make the dream come true.

The strategic association with Brazil

Although a detailed account of the broad-ranging bilateral relations the Argentine Republic maintains extends beyond the purpose of this article, brief mention should at least be made of the excellent phase in our relations with neighbouring Brazil.

President Lula da Silva's State visit to Buenos Aires in October 2003 was an apt token of the extent to which the close association between the two countries has advanced and deepened. Given its nature and scope, it can only be described as strategic and expressive of true fellowship.

During the said visit, the two presidents signed a Joint Declaration, the terms of which merit repetition here. They agreed to underscore the degree of convergence, understanding and predictability attained in a spirit of mutual trust. The agreements sealed included such relevant issues as culture, education and physical integration besides those relating to the circulation of people, which will facilitate the daily lives of Argentine and Brazilian citizens moving between the two countries for study, trade and tourism. It will, of course, particularly benefit residents of the frontier zone.

We have likewise drawn up important agreements associated with the pacific use of nuclear energy, especially in medicine. I would also like to emphasise our countries' innovative decision to collaborate and co-operate on technical tasks concerning the non-permanent seats our two nations aspire to occupy on the United Nations Security Council in the 2004-2006 period.

All these agreements signal the maturity of a strategic association that will grow without tensions because it is based on appreciation of our similarities and respect for our differences. They are grounded in our shared determination to work together to bring about a world order that enhances justice, encourages development, combats injustice and protects the environment. The consolidation of this world order will allow all the nations of the world to enjoy the benefits of material progress and peace.

Equally noteworthy in the sphere of the South American subcontinent is the importance Argentina and Brazil ascribe to upholding the quality of democracy, respect for human rights, combating poverty and injustice, and forging a co-operative approach to regional security.

For these reasons, I consider the signing of the Buenos Aires Consensus of singular importance. By the Consensus, our two countries are committed to co-operating actively to promote sustained economic development and fair distribution of the benefits thereof. This is a joint position that we propose to share with all Latin American nations.

By way of conclusion

If a country's foreign policy fails to serve to increase prospects for collective fulfilment of domestic society, the deeds it undertakes will never be great nor will it be a suitable vehicle for transmitting great words.

As far as I am concerned, accomplishing this purpose – like our people's victory in the struggle for democracy – implies attaining levels of welfare and social justice that will allow all Argentines to exercise their rights as citizens to the full.

The Latinobarometer⁴ recently registered Argentines' adherence to democracy as a positive sign. At the same time, nevertheless, it also recorded low levels of confidence in its results, referring to the widespread perception among Argentina's citizens that democracy fails both to solve their problems and to translate into improvement in living standards. In other words, a high appreciation of personal freedoms curiously squares with a low level of respect for the population's economic and social rights.

This is a worrying state of affairs and in December 2001 Argentines were given a dramatic taste of its effects, which have since spread to other parts of Latin America.

Integrating in order solve these problems is an imperious domestic necessity but I want to be sure to make myself crystal clear in these closing remarks.

⁴ Latinobarometer, a Latin American counterpart of Eurobarometer, canvases public opinion about politics, the economy and regional integration.

Eradicating poverty by simultaneously enhancing social inclusion and regional integration and achieving decent standards of living for our citizens and populations necessarily requires a strong political commitment. Political will alone, though, will not suffice to sustain an inclusive democracy. This requires States that are efficient at gathering information, intelligent in processing it, diligent in harnessing interests and generating consensus, effective in providing a response, and transparent to propitiate social control.

Integration is no panacea that will allow us to solve all our problems at the touch of a magic wand. Rather, it is a dynamics of political culture that keeps a delicate yet auspicious, hope-giving balance. It is a balance between the strengthening of nation States and the building of supranational institutions, between the defence of national economic and strategic interests and their empowerment within the framework of regional integration.

Integration means at once learning, exchanging and making good agreements. Moreover, to return to the initial Arendt quotation, it is the path that will lead us to do great deeds and speak great words. ■■■

The Bolivia's new foreign policy

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Currently, bolivian foreign policy, like that of other countries in the world, converges to an international scenery in permanent reconfiguration. The particularities of the current international system pose unquestionable challenge for the whole international community, particularly to developing, vulnerable, and poor countries like Bolivia. Accelerated and irreversible processes, such as globalization and open regionalism, present themselves as two central vectors in structuring the new international order, designing the general space in which foreign policies should develop their actions, trying to find certain opportunities and spaces to obtain a better international insertion and fulfill their objectives. Phenomena such as frailty of the international financial system, accelerated technological changes, crisis in governability, weakening of multilateralism and international law, transnational crime, terrorism, narcotrafficking, and corruption, among others form a group of problems to which countries like Bolivia have to respond and face through its foreign policy.

The transcendental changes generated in the last decade, such as accelerated technological development in telecommunications and informatics,

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transformed our societies and the form in which the countries of the international community interact and relate with each other. The pace of “international time”, which is nothing else but the speed in which the negative and positive effects of events produced in other latitudes are received through the different technological media, is greater and greater. This demands foreign policies to have a great sense of opportunity and effectiveness.

The international scenario is also being configured based on the actions of the countries, the different cultures, religions, non-government organizations, multilateral organisms – particularly the United Nations, the Organization of American States, the World Trade Organization, the International Monetary Fund or the World Bank – and, more and more by the role played by civil society. These actors juxtapose their points of view and interests, and prioritize themes of the international agenda, focusing their attention to foreign policies. In this context, for countries like Bolivia, it is important and a priority to respond to global initiatives related to the consolidation of democracy, preservation of human rights, consolidation of integration processes, international cooperation, strengthening of the UN and other international organisms, struggle against poverty and social exclusion, search of a greater global wellbeing, protection of the environment, and peaceful resolution of disputes.

As an effect of this divergence of interests and cosmovision of the world, international order happens in two scenarios: a) the imposition of a new unilateral and hegemonic order; and b) the establishment of a multipolar order, where multilateral organisms and other actors would be converted into moderators of interstate tensions. These two tendencies are visualized and are present in this moment of reconfiguration of the international system. At any rate, the consolidation of a new international order, be it unipolar, multipolar, or both at the same time, will depend, to a large extent, in the states’ recognition that world problems may find better solution when there is cooperation instead of imposition or antagonism.

In this regard, the appearance of regionalism and the consolidation of processes of integration, such as the European Union, represent another option that is coming about with great strength in the current world scenario. There is no doubt that regionalism and the creation of economic and political blocks in distinct regions of the world were notably incremented in the last two

decades, with three fundamental actors emerging of this process: the European Union, North America, and Pacific Asia.

In this context, South America also started to structure and consider itself as a block. Integration is a process being developed in the region for several decades, and was stimulated by the Ftaa negotiations in the last years. South American integration was developed with high and low moments, but it always advanced toward its consolidation. Since the creation of the Andean Group, now the Andean Community of Nations (ACN), until the creation of the Common Market of the South (Mercosur), the countries in South America actively participated in the different initiatives of regional integration. In this context, for developing countries like Bolivia, the opportunities of real development may be incremented by broadening their markets, incrementing its negotiating capacity, deepening the processes of interdependence and creating new economic and commercial opportunities. This is why part of the efforts and actions carried out by bolivian foreign policy are geared toward the consolidation of a new political and economic block of South America, which is visualized as a significant space to face hemispheric integration, bi-regional dialogue, and the globalization process.

General scope of bolivian foreign policy

In the last two decades, the world's perception of Bolivia was modified. bolivian democracy has continuously existed for 21 years, and has proven to be growingly participatory, plural and inclusive. The country developed a social market economy and has tried to emphasize the most vulnerable and disfavored sectors constitutionally defining itself as multiethnic and multicultural.

Bolivia is a country of multiple areas of interest, starting point of the two South American river basins, a country of contacts, the energetic hub of the continent and the center of inter oceanic corridors. Bolivian foreign policy tries to translate these realities into initiatives and concrete actions. In this framework, energy integration, in addition to physical and commercial integration are three key topics of Bolivia's international agenda. Through them the country is turning the geopolitical postulate of "country of contacts and not of antagonisms," put forth by bolivian diplomatic visionaries in last century's decade of 30s into reality. From this perspective, Bolivia tries to play a central role in the process of forging

a South American space, solidifying its aspiration of articulation, union, and cohesion of the countries that surround it.

Since the re-establishment of democratic governments, the country's foreign policy shows characteristics of continuity. The variations have always been of style, emphasis, and opportunities. Bolivian foreign policy has tried to be versatile, dynamic and creative, adapting to the great internal and external changes that occurred in the last years, making clear an active capacity of proposal and initiative. Foreign policy is an increasingly complex phenomenon. There are more and more countries in the world, the number of international organisms continues to augment, the number of themes in the agenda increases daily, and the actors are multiple and diverse. The information, as it turned accessible, also became difficult to manage.

Currently, it is possible to visualize the form in which bolivian domestic policy is conditioned by external action of the country or vice-versa. The struggle against narcotrafficking, the maritime question, free trade, or the export of natural gas, became "inter/domestic" themes. They have an internal component and an important international component to which, frequently, not adequate attention is given. This new reality directs and conditions the action of bolivian diplomacy, but also forces it to maintain a more fluid dialogue and to consult on the theme of international agenda with the civil society.

Origins of bolivian crisis

Bolivia is going through difficult moments for various reasons. The fundamental difficulty has to do with an economic situation that has been dragging for many years. The international crisis, but mainly the Brazilian crisis and the dramatic situation that Argentina went through, exert its pressure over a highly dependent and very sensitive to neighboring countries' economy, such as Bolivia's. In the internal plan, pension reform generated a significant fiscal deficit. In addition to this, the process of institutionalization of customs marked the lowest level of contraband, eliminating one instrument of liquidity in bolivian economy. Finally, a fundamental factor to explain the crisis was the process of eradication of surplus coca, which meant a very important reduction of irregular revenue that fed bolivian economy. All these factors combined in a period of a few years, exert enormous pressure of on the economy, generating

five continuous years of recession, increased unemployment and significant growth of fiscal deficit.

Bolivia is a country with strong structural heterogeneity and significant socio-cultural, ethnic, and regional diversity. The country is now predominantly urban, the social indicators in education, health, and basic sanitation have improved, but the indicators of income, jobs and productivity are stagnant. The growth rate of the country in the last years was insufficient to reduce poverty in absolute and relative terms. The social crisis in which the country debates, explains iniquity and social exclusion as a result of these factors and the high concentration of income. Bolivia is one of the poorest countries in Latin America, and is the poorest in South America. In turn, the areas that were the epicenter of the October crisis, that is, the so-called High and West, are among the most depressed regions in Bolivia. Consequently, it is one of the poorest zones in South America. In the last years, the poor felt and lived a process of political, economical, and social deterioration. In the October crisis, it is very illustrative to remember that the majority of the 56 victims were young, that is, they belonged to an age group that is poor, has no expectations, no jobs, and no opportunities.

The question of poverty is a challenge for one or two generations, and not just a challenge for the current government. Bolivia is a HIPC (Debt Initiative for Heavily Indebted Poor Countries) country and one of the few in the international community that internalized the objectives of the development for the millennium as goals of its social agenda. Regrettably, with its current growth rates, Bolivia will not be able to reduce poverty by half by year 2015 and will have to wait until 2042 to reach this objective. On the other hand, it is not always recognized in the country that structural reforms were able accomplish a series of advances in the economic and social front. It is obvious, that, although the population of the country has improved its living conditions, the efforts are still insufficient. For example, child mortality in Bolivia was reduced by a half, illiteracy among adults increased, life expectance also increased, and the gross domestic product doubled. Of course, despite all this, Bolivia still remains at the rear of the rest of the region.

The bolivian political crisis is related to the lack of trust in the political system, the crisis in representation and legitimacy of the parties, the lack of credibility of institutions, the government's difficulties to improve social and

economic conditions of the population, the lack of a democratic culture in the country, and the intolerable levels of corruption. Other themes that increasingly worry the citizens are the increase in violence, crime and insecurity of the people. All these factors weaken democracy and make vulnerable the populist and authoritarian discourse that, based on easy and demagogic promises, offer changes that never come.

The social, political and economic crisis that Bolivia is going through affects its credibility and external image. The rate of uncertainty, legal insecurity and the country risk has grown, decreasing the interest in investing in Bolivia, at a moment in which capturing public and private resources for economic reactivation is indispensable, and in which internal and foreign debt continue to grow. This is one of the reasons why the bolivian government requests backing and support of the international community. After the October crisis, uncertainty prevails. Besides, the fiscal debt, currently around 8% is unbearable. Bolivians should pay more taxes and the government has to reduce the current expense. The country cannot continue to live on external savings.

Bolivian government has welcomed demonstrations of support received from the international community and has committed to have a transparent government, guarantee democratic institutionalism, boost economic development and take corruption head on. The maintenance of a democratic and constitutional government in Bolivia will be strengthened with constructive dialogue, active participation of its citizens, and support of friendly government and multilateral institutions. In tune with these efforts, we are working to bring the country together, to strengthen democratic institutions in defense of the empire of law and in the need to solve social conflicts by constitutional means.

Bolivian new foreign policy

Carlos D. Mesa Gisbert was inaugurated as president and took his vows for president of the Republic on October 17, 2003. During his speech, Carlos Mesa outlined the central points of his tenure. The new president will call a binding referendum to decide on gas export. He also promised to make a fresh start for Bolivia through a Constituent Assembly and change the Hydrocarbon Law. President Mesa stressed the need to preserve the unity of the nation, which is putting its destiny and its future on the line, leaving the door open for Congress

to recall his term. Finally, the President emphasized that the fight against corruption will be strengthened, and that human rights and life will be respected.

Later, Carlos Mesa asked that the bolivian people grant him a space “time to work” and asked the social sectors to relax their pressure measures. He recognizes that “the economic situation of the country is delicate,” but expressed confidence in the support of the international community and of the cooperating agencies. “The State cannot give an efficient and effective response to all the legitimate demands of the people,” he stressed. Later, President Mesa stated that to again “bet on economic orthodoxy is insane” and admitted that, in case his government fails, Bolivia runs the risk of a “total failure.”

In the first three weeks of President Mesa's government, the three central themes of Bolivia's foreign agenda were to seek recognition from the international community, to prevent the international image of the country to continue to deteriorate, and to request immediate assistance and cooperation. The international community, in general, manifested its support to President Carlos Mesa and to the process of constitutional change that Bolivia went through. For example, days after his inauguration, United States President George Bush, discussed with President Carlos Mesa the need to continue the struggle against cultivation and traffic of drugs, the need for a referendum to decide about the export of natural gas to the US and to Mexico, and reiterated his country's support to Bolivia's constitutional process and to its democratic institutions.

The 13th Ibero-American Summit, in Santa Cruz de La Sierra, was a unique opportunity for Bolivia to recover – to a certain extent – its international image. The 13th Ibero-American Summit coincided with the period following the October crisis. Consequently, it was a propitious occasion for the bolivian government to request aid from the Ibero-American Community and from international organisms. The summit was also propitious for the bolivian government to obtain a serious of bilateral support. In this regard, the 21 Ibero-American countries agreed on an emergency plan for Bolivia, which will be completed in 45 days, maximum. The agreement, entitled “Ibero-American emergency actions for Bolivia,” made reference to the different bilateral or multilateral actions. The Chiefs of State and of Government of Ibero-America, furthermore, requested the support and cooperation of the international and regional organisms for the development and completion of these emergency actions.

The central themes of the 13th Ibero-American Summit were the Cardoso Report, social inclusion as a development engine and the economic and political support for Bolivia's government. The chiefs of states present at the 13th Ibero-American Summit signed the Declaration of Santa Cruz de La Sierra, containing 45 points, an annex about programs of cooperation, and 14 special notices. A few of the main recommendations are: defeat poverty, reform the system of the UN Security Council, and recognize that subsidies distort commerce. The Declaration of Santa Cruz still recognizes that corruption is one of the greatest threats to democratic governance. The presidents ratified their will to solve the problem of foreign debt and manifested against extraterritorial laws and measures contrary to international law. In this regard, the government of the United States was urged to eliminate the Helms-Burton Act, and the importance of establishing the International Criminal Court was highlighted. The presentation of the Cardoso Report allowed the creation of the Ibero-American General Secretariat, but it was decided that its statute would be approved in the 14th Summit to be held in Costa Rica in 2004. The Secretary General and the headquarters of the organism will be chosen at that meeting. The permanent secretariat will be responsible for accompanying programs created by the presidents, and will be a forum of permanent discussion and representation for Ibero-America.

The maritime theme was not absent from the 13th Ibero-American Summit. The Secretary-General of the UN, Kofi Annan, manifest his willingness to offer his good offices so that Bolivia and Chile arrive at an understanding about the bolivian demand to have an exit to the Pacific Ocean. Also, President Mesa discussed the theme in several bilateral meetings, and Venezuelan President, Hugo Chávez, declared that "Bolivia has already had a sea, and I dream that, some day, I will bathe in the sea of a bolivian beach." The meeting between Ricardo Lagos and Carlos Mesa was useful to reorient the bilateral agenda for a post-October reality. Both presidents agreed with the need to "un-gas" bilateral relations, delay the dialogue about the project to export bolivian gas, and deepen the agreement of economic complementation.

The first trips of the president of the republic were to Panama, Peru and Brazil. After participating in the celebrations of 100 years of the foundation of Panama, the bolivian president visited his peer in Peru, Alejandro Toledo, with whom he made a commitment to "un-gas" bilateral relations and advance in other themes of the binational agenda. The bolivian government wishes to deepen integration and advance toward a common market. President Carlos

Mesa told President Toledo that there will be no conversations about gas until the bolivians have their say in a referendum.

On the other hand, the relation between Bolivia and Brazil was defined as a strategic alliance. For the country, Brazil's support is fundamental to reactivate its economy, guarantee its political stability, and strengthen its national unity. Brazil decided to forgive almost all of Bolivia's public debt and vowed to invest 600 million dollars in highway infrastructure. Finally, it is pertinent to highlight that in the last weeks, Brazil decided to increment its demand of bolivian gas and reach 20 million cubic meters a day. (MMMcd).

In another area, on December 16, 2003, the President of the Republic, Carlos Mesa, was present at the biannual meeting of Mercosur in Uruguay, where the establishment of a free trade zone between CAN and Mercosur, was agreed upon; and Peru was the last country to become a member of this block. On the other hand, the president prepares his agenda to participate in the Extraordinary Summit of the Americas, to be held in Mexico between January 12 and 13, 2004. Congress has given its authorization for both presidential trips.

In the institutional scope, many significant advances were produced during the current government. For the first time, 56% of the persons in the foreign service were career diplomats, consolidating, more and more, the process of institutionalization of the Ministry of Foreign Affairs and Service (Affairs of the Vatican). Besides, the administration of President Carlos Mesa vowed to present the diplomatic career plan next year.

Continuity and change in foreign policy

Among Bolivia's main themes in the international agenda, a few can be highlighted:

Good neighborhood policy

One of the main objectives of bolivian foreign policy is to promote cooperation, integration, and agreements with the neighboring countries. One of the great aspirations of the country is to become the main articulator in

South America. The objective of the good neighborhood policy is to improve or maintain relations with the 5 neighboring countries in the commercial plan, by signing and implementing the economic integration agreements and in issues of physical, energetic, and telecommunications integration by planning and building roads, bridges, underground passages, and communication networks. In the same manner, we wish to establish programs of cooperation in the borders, customs, and of migration with all the countries in the region.

During the last years, the development of themes in the bilateral agenda with Argentina was affected by the events that occurred in both countries. At the bilateral level, the central points are migration, trade, transportation and energy. With Brazil, among the relevant themes of the bilateral agenda, the projects of physical and energy integration are underscored. Two central points in the Bolivia/Chile relations in the past months were gas export to the North American market and the negotiation to turn the TEC (Treaty of Economic Cooperation) 22 into a Free Trade Agreement. With Paraguay, the most important themes in the bilateral agenda are trade, physical, and energetic integration. In the agenda with Peru, in turn, we highlight energy, the revision of the accords with the WLO, the migration questions and the water resources of Lake Titicaca.

Maritime reintegration

Maritime integration is a fundamental and indisputable objective of Bolivia's foreign policy. In the last years, the negotiations about this theme were directed to seek a solution that allows not only to augment bolivian presence in the Pacific Ocean, but to also recover its maritime quality. In both cases, Carlos Mesa's administration is party to the latter and has emphasized the notion of "maritime reintegration" with greater strength than "maritime quality." The way to the sea that is to be determined for the country should have the following characteristics: be free, useful, and sovereign. On the other hand, it is good to remember that in repeated opportunities, the bolivian government has manifested that the problem with Chile has bilateral, trilateral, and multilateral dimensions. In the same way, the bolivian government thanked the manifestations in favor of the century-old bolivian maritime cause and feels rewarded with the long tradition of support to this issue, the multilateral support of the OAS, and the offering of the good offices of Secretary-General

of the UN, Kofi Annan, facts that again caused the maritime issue as a regional and multilateral issue to surface.

The government of Chile considers that Bolivia's inland quality is a strictly bilateral issue. From the Chilean perspective, the signature of the Peace and Friendship Treaty of 1904 definitively sealed any bolivian aspiration to a useful and sovereign access to the Pacific Ocean. The government of the neighbor country has sustained an inflexible policy in this regard. On the other hand, the problem was complicated right after the "no" in 1929, when Peru and Chile, by the signature of a treaty and a secret protocol established that they could not give up the territory in question, reasons of the cited accords, to a third country, thus putting an obstacle to the solution of the maritime problem in the last decades. This situation triggered the search for a solution for the conflict, once Chile has the lock, Peru has the key, and, from this perspective, the solution to the problem necessarily goes through a trilateral consensus.

For Bolivia, maritime reintegration is not only a foreign policy goal. In addition to being an economic need or a social demand, it is a psychological effect that is engraved in the collective national memory as a limit and condition for a complete human development. Since 1904 Bolivia has tried, insistently, to make Chile accept a negotiation that would allow for one of its most important objectives in foreign policy. One of these efforts was to obtain resolution 426 of the OAS in 1979, which establishes that the maritime question is an issue of hemispheric interest. Since then, every year Bolivia comes before the OAS, one of the most appropriate multilateral spaces to seek a solution for the problem, to remind the Inter-American community of the existence of a pending problem that prevents integration, development, and peace in the region.

Diplomacy and natural gas

Bolivia is the second to Venezuela with the greatest reserve of natural gas in South America. In the last years, the country went from 5 trillion cubic feet (TCF) to 54 TCF. Gas is an inexpensive and clean product that reinforces conservation of the environment, and one of the best substitutes for traditional fuels. As a consequence, this resource will be able to potentialize Bolivia's strategic importance in the region and in the western

hemisphere. For its geographic location, away from the most important international contemporary conflicts, it is possible for Bolivia to become a trustworthy and safe source of natural gas for the west coast of the United States.

In the next years, Bolivia will have to face three main challenges: firstly, consolidate its markets; secondly, diversify its export markets; and, thirdly, give more added value to its natural gas exports. In the area of international economic relations, Bolivia could use its reserves of natural and liquid gas to diversify its agenda with countries in North America, strengthen its relations with the countries in the Southern Cone and be more present in the Pacific. However, the reserves of natural gas do not have any economic value if they are not monetized and remain underground. It is for this reason that opening markets for this hydrocarbonate will be central to bolivian foreign policy and diplomacy in the next decades. The reserves of natural and liquid gas discovered in Bolivia allow us to think that the country will become the center for providing natural gas in the region and an emerging regional energy power.

The sector of hydrocarbonates was one that contributed with greater strength to bolivian economic growth in the last years. The current government decided to call a referendum that will define export of the gas, a modification to the law of hydrocarbonates, and develop an information campaign about the export project. The campaign will have data about the industrialization process of the gas and basic technical details about energy. The referendum will also be done, and will serve to arrive at a consensus in the different regions and sectors to execute this project.

Integration policy

The policy of integration is much more than an instrument of commercial policy and promotion of exports. It is directly linked to the purpose of the foreign policy to improve the terms of the country's international insertion, in addition to being an instrument to increase exports and to develop the country economically. Bolivia is aware that only through economic and political strengthening of the region will it be possible to face the negative aspects of the globalization processes, protectionist tendencies and the weakening of multilateralism. It is for this reason that regarding trade and integration, bolivian

foreign policy seeks to expand markets, diversify the national export menu, strengthen the process of the country's international insertion, attract foreign investment, increase its negotiating capacity, and contribute to its economic and social development.

Bolivia's insertion in the region and in the world will be obtained when the country is able to carry out an articulating function in the process of designing South American space, making its aspiration of being a country of contacts come true. For that end, bolivian diplomacy encouraged the strengthening of the Andean Community and promoted a process of growing association with Mercosur. Bolivia is a full member of the Andean Community, has an agreement of free trade with Mercosur, supports efforts to articulate the two plans of integration, and actively participates in the Initiative for the Integration of Infrastructure in South America (Iirsa), whose objective is to develop physical infrastructure in the sectors of energy, telecommunications and transportation.

Bolivia is also developing strategies of expansion and commercial association with developed countries and has been benefited with Atpdea (Andean Trade Promotion and Drug Eradication Act) and Europe's SGP (Small Grants Program), mechanisms of preferential access to these markets. In relation to hemispheric integration, it is pertinent to highlight that, in the last Ministerial Summit in Miami, it was decided to reorient the Ftaa negotiations and establish a common space of commitments, in which each country will advance at the pace it desires. Under this framework of negotiations, the possibility of a plurilateral agreement was formulated, in a variable geometry and with different paces. Every topic in the agenda will be negotiated by every country in a basic packet. Finally, it should be noted that Ustr Robert Zoellick, announced the launching of bilateral negotiations to establish a free trade agreement with Colombia, Peru, Bolivia and Ecuador, that will advance at different paces, and will be started in the second quarter of 2004.

At the bilateral level, Bolivia has pending the negotiation of a complementary protocol to TEC 22, underwritten by Chile, whose purpose is to reduce commercial unbalances and asymmetries that exist between both countries. Finally, in the multilateral area, Bolivia's participation in multilateral commercial negotiation at the WTO and the G-20, that intends to be an institutional counterweight to the United States, the European Union, and Japan, who protect and subsidize the agricultural sector.

Fight against narcotrafficking

Bolivia is part of the United Nation Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, the United Nations Single Convention on Narcotic Drugs of 1961, amended by its Protocol of 1972 and the United Nations Convention on Psychotropic Substances of 1971. At the bilateral level, Bolivia underwrote several international legal instruments to fight against narcotrafficking, and, at the regional level, is part of the Multilateral Evaluation Mechanism of the OAS. Besides these international agreements, it is noteworthy that Bolivia and the United States signed an Extradition Treaty in 1995 and that it has been in effect since 1996.

Practically every country in the international community is involved in the fight against narcotrafficking. Some of them are producers of raw material, while others transform, distribute, or consume them. Some countries serve as passageway, while others face phenomena associated to the fight against drugs, such as guerrilla, terrorism, organized crime, contraband, traffic of firearms, or money laundering. This situation reveals the multiple dimensions of the problems and the different political, economic, and social effects that narcotrafficking may cause. In the last years, narcotrafficking has been seen as a real threat to internal security of the countries, because of its pernicious effects on health, the family, the stability of democratic institutions, the increase of delinquency, and the patent increase in violence.

The process of eradicate cultivation of coca in Bolivia began in 1988, with the passing of Law 1008 and Regulatory Decrees to eliminate plantations of illegal coca and settle the foundation for socio-economic development in the coca-producing areas. Recently, however, there has been in the last years a substantial reduction of illegal coca, and we were able to advance in the development of alternative cultures. In its new Strategy of Fight Against Narcotrafficking, and under the principle of shared responsibility, the bolivian government intends to substitute the economy of coca and encourage alternative development, incorporate thousands of bolivian families in legal activities, continue to eliminate illegal coca (albeit respecting traditional consumption), seek markets for alternative products, and reduce the internal consumption of drugs.

The co-responsibility and international cooperation are essential to confront to the curse of narcotrafficking. Within this context, the country

should continue in its efforts to cut off from the coca-cocaine circuit, thus avoiding to be consolidated as a passageway country, while concentrating on reducing internal consumption and support, at the international level, the consolidation of multilateral evaluation mechanisms. The country has to guarantee that financing for the fight against narcotrafficking and alternative development be maintained or increased, so as to make the efforts of the country to eradicate illegal and surplus coca sustainable. In the same way, considering the high socio-economic cost that the reduction of its production of coca had, the country has made great efforts to solicit from developed countries a greater cooperation, the opening of their markets and resources proportional to the efforts made. Bolivia needs to be rewarded and attain the consolidation of the markets of industrialized countries for the products of alternative development, especially if they are labor-intensive and generators of jobs.

A few days ago, a report from the U.S. Embassy stated that Bolivia's illegal production of coca had increased 26% in the region of the Yungas and decreased 15% in the area of the tropic of Cochabamba. There would have been a total increment of more than 4,000 hectares in Bolivia, reaching a national total of 28,500 hectares of coca cultivation. In this regard, President Carlos Mesa pointed out that, until the government "certifies" the report of the U.S. about the increment of illegal coca, the tasks of eradication in areas such as the Yungas will not be reformulated. In addition to this, he said that it would be necessary a "particular work" to face the anti-drug action of his government. In this regard, one of his first initiatives was to ask the UN for satellite information, and initiate a process of measuring or data information. Once these numbers of the "reality" in the Yungas, based on data evaluation, were obtained, they would have to be cross-examined with the satellite information available. Bolivia wants to act with sovereignty on the issue of eradication of coca, and for that, it is planning to create a particular system of measuring the plantations of this leaf, to improve its margin of negotiation on the topic. The new bolivian anti-drug strategy seeks to complement the traditional strategy of banning illegal plantations of coca, with structural adjustments in the projects of alternative development, and recover the pillar of the importance of prevention and social rehabilitation, forgotten in the past. Nevertheless, the production in the Yungas region configures itself as an area of great conflict for future national governments.

Fight against terrorism

After the terrorist attacks against the Twin Towers and the Pentagon in the United States on September 11, 2001, the issue of terrorism and international security acquired new nuances and a growing interest and character in the international agenda. Terrorism implies executing acts of violence to frighten certain social actors or a determined population, or yet, disorganize a social, economic, or political structure. Terrorism usually bitterly expresses the frustrations of certain sectors of the population and uses the tactics of psychological terror to attain its objectives. The purpose is to inflict fear to attain political ends. In the bolivian government's opinion, terrorism can be incubated in narcotrafficking and feed on it. Besides, the illegal traffic of drugs became, worldwide, the financial engine that feeds many terrorist organizations.

The goal of bolivian policy of fight against terrorism is to combat this curse in all its forms and manifestations, according to international law and the Charter of the United Nations, fully respecting the law, human rights, and democratic institutions, as well as reinforce the mechanisms of political, legal, financial, and operational cooperation related to fighting terrorism, participating in every international agreements about the issue, and permanently monitor them. Finally, it should be highlighted that in the last years Bolivia has ratified every convention against terrorism and its manifestations, approved by the United Nations and the Organization of American States, underwriting the Inter-American Convention Against Terrorism, adopted on June 3, 2002 in the 32nd General Assembly of the OAS in Bridgetown, Barbados.

Fight against corruption

Bolivian government attributed great importance to the issue of fighting corruption and to the international legal instruments underwritten about the issue, especially within the OAS and the UN. Bolivia has worrying levels of corruption and impunity, causing great economic harm and hurting the morale of bolivians. Corruption, furthermore, is a threat to democratic governance.

In this regard, the country has committed to conform to its international obligations and permanently monitor the actions carried out to combat transnational crime. In this context, it is pertinent to highlight that the bolivian

government subscribed to the UN World Convention Against Corruption. However, for the Convention to be implemented, it is necessary that it be ratified by at least 30 countries. Nevertheless, after the presidential representative against corruption, Lupe Cajías, ratified the document on behalf of Bolivia, she announced that the bolivian government expects a prompt ratification of the Convention at the National Congress.

The fight against transnational crime is also going through an institutional strengthening of the three powers: executive, legislative and judiciary. There have been significant efforts to fight against corruption and impunity and recover credibility in justice, in finance and in the police, as well as create more efficient mechanisms of accountability.

Protection to bolivian communities abroad

The abuse and embarrassment that a few bolivian citizens were under in countries to which they saw themselves obligated to emigrate became, regrettably, a recurring practice. On this issue, the bolivian state has not been yet successful in offering satisfactory solutions. Consular Service, under the Ministry of Foreign and Religious Affairs is in charge of collaborating and protecting bolivian citizens abroad, but does not have the staff or the necessary means to take on this task.

In this regard, the Ministry of Foreign and Religious Affairs is working to strengthen and elevate the quality of services rendered by the Consulates of Bolivia – mainly in the countries that host the greater numbers of bolivian citizens to improve service to the bolivian community that lives and works abroad. The Chancellery of the Republic has special interest in offering the greatest cooperation possible to the bolivian communities that reside abroad. These communities of compatriots make important contributions for our economy through money orders they send to their family members in Bolivia, project a positive image of the country for their honesty, work capacity and effort, and are starting to gain important political clout in the countries that shelter them.

This is why the Chancellery is working in a General Plan of Protection and Service to bolivian Citizens who live abroad, developed, initially, in the cities where there are a greater number of bolivians, especially those who are in a

vulnerable condition. Another pending task in this area is to obtain the inclusion, in the framework of reforms to the Political Constitution of the State, of the right to vote of expatriate bolivians, as well as to facilitate dual citizenship to bolivians who emigrated to other countries, through bilateral agreements.

To conclude

In an international context that can be seen as transition to consolidate a uni-multipolar order, in which multilateralism and international law are weakened, bolivian foreign policy is the expression of its internal reality, an instrument of connection of the country to the world and a tool to face the process of globalization. Bolivia has permanently sought a better international insertion in the different aspects of international life – in the global, hemispheric, regional, or sub regional levels. With a democratic government, a social market economy, and a multicultural and multilingual identity, Bolivia, for many years, has been making efforts to become a country of contacts and of sub-regional energy distribution. Currently, Bolivia is going through an unprecedented social, political, and economic crisis, and the government of President Carlos Mesa has great challenges, and therefore needs recognition, support, and backing of the international community.

Bolivia promotes cooperation, agreement and integration with the neighboring countries. In this framework, an indispensable objective of its foreign policy is to be successful in maritime reintegration to the Pacific coast. From the bolivian perspective, this issue is bilateral, trilateral and multilateral. Likewise, the policy of integration tries to contribute for the international insertion, growth, and development of the country. On the other hand, in a increasingly complex process of the international system, bolivian foreign policy seeks to face, in tune with international law and the empire of law, new transnational threats like organized crime, narcotrafficking, terrorism, and corruption. In the new anti-drug strategy of the bolivian government, in addition to the October crisis, it is believed that the country will continue to fight against the curse of drugs, and that, in the beginning of shared responsibility, the international community has the moral obligation to make an effort proportional and equivalent to the effort made by the country. ■■■

Version: Vera Galante.

Concepts and strategies for diplomacy in the Lula government

Celso Amorim *

President Lula's election came at a moment when fresh political and economic responses were being sought to the problems afflicting the countries of South America. The deterioration of social indicators for the region underscored the limitations of a neo-liberal model hinging on blind faith in liberalising markets (one-sided deregulation, in some cases) and in down-sizing the role played by the State. The socio-political crises besetting the region revealed the illusory nature of the belief that such a model would usher in sustainable development. For his steadfast commitment to democracy and his concern for the social dimension of development, President Lula has become a symbol of the desire for development that promotes social justice not only among Brazilians but also among many others in our region of the world and even beyond its bounds.

The Lula Government's diplomatic action is conceived as an instrument for promoting the country's social and economic development. There is a humanist dimension to this policy, however, geared to promoting international

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cooperation for development and peace. It is deeply rooted in the interests and hopes of the Brazilian people. Its internationalist aspect springs from a national bedrock.

Our foreign policy is based on acute awareness of the intertwined fate of Brazil and its South American neighbours. Given the broad-ranging affinities that bind us together and the difficulties we aspire to overcome, the integration of South America is an ineluctable imperative. The crux of the issue is determining what kind of integration we seek to achieve. Without an agenda for greater cooperation focusing on shared interests and opportunities for mutual benefit, we run the risk of falling prey to a perverse form of integration stemming from reciprocal contamination by successive crises or, worse still, the offspring of organised crime, smuggling and drug-trafficking.

The establishment of closer ties between our economies, thriving political convergence and enhanced contact among the societies and citizens of South America are attendant upon trade agreements such as that signed between Mercosur and the Andean Community. Infrastructure merits special attention, particularly in the fields of transport, communications and energy. Nonetheless, our peoples and societies must also be brought closer together through art, culture and burgeoning opportunities for greater contact. Our ultimate aim is to forge a South American Commonwealth of Nations.

This grand integration project must also be looked upon as mobilisation to realise our full potential for relations with other nations and groups of nations. We firmly believe that a multipolar world order provides a more stable, secure environment, affording better conditions for the development of all parties. Developments in the international scenario seem to be leading in the direction of a world comprised by large blocs (e.g. the European Union) or countries equivalent in weight and size to a bloc (e.g. the USA and China). In such circumstances, the power of developing countries taken individually – even of large ones like Brazil – to exert any influence on the global stage remains limited. The strengthening of our regional cohesion will thus enable us to make our voice heard in multilateral trade negotiations and empower us to make a greater mark on the international order with a view to making it more even-handed and democratic. Improved understanding with our partners in Mercosur, particularly with Argentina (a key strategic partner) has made it possible to advance down this road.

If South American countries *en bloc* approach other developing countries, they may increment their relative negotiating weight and clout. In the multilateral trade sphere we are already in liaison with other developing nations, working on joint platforms that combine (perhaps for the first time) the promotion of trade liberalisation and social justice. The G-20¹ is spearheading an international movement – supported, it should be noted, by civil society even in the developed world – to reduce protectionist barriers and abolish subsidies running to billions of dollars that penalise competitive exporters of agricultural produce in the developing world.

By modifying the traditional dynamics of negotiations in the WTO – in which the two main trading powers were wont to set the directions and level of negotiating ambitions by mutual consent – the G-20 has helped to “alter the geography of international trade,” to borrow President Lula’s expression. The G-20 has established itself as a key player in enabling negotiations at the Doha Round to progress. It is our belief that the Round will only be successful if negotiations prove to be transparent and capable of contemplating the interests and demands of the main actors involved.

Consolidation of the G-20 has shown that there is diplomatic space that deserves to be explored further in liaison with other major developing countries and regions. For centuries, we have relied on perceptions recorded by European and North American observers of societies that are geographically distant from our own, such as those in Asia and the Middle East, and even in relation to others closer to home, in neighbouring Africa. The intensification of direct contact and exchange with these and other regions of the globe, above and beyond outworn rhetoric about Third World brotherhood, demands reciprocal political will, first and foremost.

The Lula Administration has striven to demonstrate that Brazil’s diplomatic objectives can be, at one and the same time, universal in outlook and yet firmly anchored in the priority we ascribe to South America. This is the spirit in which we have launched innovative initiatives such as the trilateral

¹ The G-20, a group of developing countries created at the Ministerial Conference of the World Trade Organization (WTO) in Cancun, currently includes Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Ecuador, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, the Philippines, South Africa, Tanzania, Venezuela and Zimbabwe.

forum uniting South Africa, India and Brazil (IBAS), also known as the G-3, and the proposal of a Summit between the countries of South America and members of the Arab League.

Africa, the continent from which almost half Brazil's population descends, is generating growing political, economic and cultural interest in Brazil. It is our desire to turn a new leaf in our relations with our African brethren. By intensifying presidential and ministerial visits in both directions, we are endeavouring to build new bridges for closer cooperation, attuned to our historic and geographic affinities and in consonance with our domestic moves to promote racial equality.

Beyond the focus on enhanced contacts with our geographical neighbourhood, a hallmark of the present Administration is its vocation for dialogue with actors from all corners of the globe and of all levels of development. President Lula's attendance at the Porto Alegre and Davos Forums in the very first month of his mandate simultaneously reflects the Government's democratic convictions and its desire to influence major international debates in defence of a non-exclusive form of globalisation.

The concern for social justice and human rights is likewise at the root and core of President Lula's proposal for concerted international action to fight poverty and hunger. Born of humanist ethical values, these endeavours seek to call the attention of the international community to the limitations of outlooks that play up the military dimension of international security without taking due stock of the connections between economic and social development, on the one hand, and peace and global security, on the other. As President Lula stated at a meeting in Geneva, attended by the Secretary-General of the UN and the Presidents of Chile and France, hunger could well be considered the most lethal of all weapons of mass destruction.

The establishment of closer ties with the developed world proceeds through the intensification of political dialogue, given the interest in expanding trade relations, attracting investment and furthering scientific and technological cooperation. Negotiations on the establishment of a Free Trade Area of the Americas (Ftaa) represent a challenge from the standpoint of finding a balanced solution to a complex range of issues. They encompass not only deregulation of trade in goods and services (on which we would like to focus) but also matters relating to investments, intellectual property, government procurements,

among others. With regard to the European Union, negotiations for a biregional agreement between the EU and Mercosur are well advanced. Such an agreement offers promising prospects for commercial gains and should be viewed as a healthy “multipolarity” factor in our economic and trade relations with the North.

Brazil has a solid tradition of seeking to bring about peace by pacific means through dialogue and due observance of the tenets of international law. It is our conviction that multilateral forums provide a locus for dialogue among sovereign States and should thus be valued for their contribution to the progress of the international order.

The international consensus concerning collective action to combat terrorism forged in the wake of the attacks of September 11th 2001 was shattered by the military intervention in Iraq. The tragic consequences of the Iraq crisis – among them the attack on the UN Offices in Baghdad in which Brazilian envoy Sérgio Vieira de Mello lost his life – continue to confound the political wisdom of the international community. The prospect of the system of collective security enshrined in the UN Charter being eroded has led Secretary-General Kofi Annan to propose that we reflect upon the present threats, the means at our disposal to counter them and corresponding ways of equipping the UN system, the Security Council in particular, to deal with them.

As Kofi Annan has pointed out, we have come to a historic crossroads. Political courage is required to tackle the risk of retreat towards unilateral action bereft of grounding in international law. Resoluteness alone will permit the necessary adjustments to be made to the system of collective security, preserving the key role of the Security Council in legitimating the use of force. True to our conviction that multilateralism represents the same political progress in international relations that democracy affords in the domestic arena, we consider it indispensable that the reform of the United Nations serve to strengthen the voice of developing countries – especially those in Latin America – in promoting peace.

To the extent that the predicament in Iraq and more broadly speaking in the Middle East is the most serious threat to global stability, we must not shirk our portion of responsibility in addressing it. This is certainly the feeling of President Lula, whose action prior to the war in Iraq envisaged diplomatic means for a peaceful solution to the deadlock. Today, the Brazilian Government

seeks to liaise actively with the countries in our region as well as other international actors so as to revert the present atmosphere of scepticism and violence shrouding the Gulf and the Middle East as a whole. The appointment of a Special Envoy to the Middle East and the steps already taken to install a Brazilian diplomatic mission in Ramallah are both signal elements of this undertaking.

Our region of the globe has a track record of peace and stability that we have managed to uphold. The absence of large-scale conflict and the prevalence of democratic forms of government are accomplishments in which the governments and peoples of Latin America should take real pride. This does not imply, however, that we cannot or ought not take a keen interest in promoting peace on a global scale. Instability, however remote its source may seem, eventually generates costs for all who are party to the international system.

Closer to home, Haiti demands a long-term commitment from the international community to bolster economic and institutional reconstruction. As a member of the Security Council, Brazil has been working to ensure that the perceptions and concerns of Caribbean nations be taken into account in UN decisions concerning Haiti. Our ultimate goal is to guarantee that Haitians can, in as short a time as possible, enjoy the benefits of an atmosphere conducive to the consolidation of democracy. In the case of Haiti at least, it is gratifying to observe that conditions are in place for a UN operation based on the political consensus of the international community. This is the rationale underpinning Brazil's decision to agree to head the UN peace force at the Security Council's behest.

Our participation in the UN Peace-Keeping Mission to Haiti, moreover, is based on the belief that peace is not a free international product: a price must be paid for the maintenance of peace. The price is participation. To abstain or refrain from tendering an opinion or taking action in the face of a crisis may mean being excluded from the decision-making process or, worse still, having to rely on other countries or regions.

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Fifteen months into its mandate, the Lula Government can display a substantial credit balance in terms of its diplomatic action. The Buenos Aires Consensus and the Copacabana Act betoken an unprecedentedly high level

of understanding between Argentina and Brazil. Mercosur has recovered its internal cohesion, forged an association with Peru and concluded negotiations with the other members of the Andean Community. A South American Commonwealth of Nations is gradually taking shape.

We have consolidated key alliances in the struggle to achieve freer, less distorted international trade. The G-20, born of confrontation in the build-up to the Cancun Conference, has established itself as a vital interlocutor in the resumption of negotiations on agriculture within the framework of the WTO. The Miami Ministerial Declaration, meanwhile, has served to redress the balance in negotiations on the Ftaa. Prospects are bright for Mercosur to conquer new markets by means of agreements due to be sealed or under negotiation – e.g. the biregional agreement with the European Union, and agreements to set fixed preferences in trade with the Southern African Customs Union (Sacu) and India. Negotiations are due to be commenced for agreements between Mercosur and Caricom, China, Mexico, Morocco and other Arab countries.

Ties of friendship and cooperation are being strengthened with traditional partners in the developed and developing world. China is emerging as a major strategic partner. Relations with Russia have acquired renewed impetus. Recent projects for establishing closer diplomatic ties are beginning to bear fruit. One example is the IBAS Forum, whose first Trilateral Commission convened in New Delhi in February to set an ambitious cooperation programme. Brazil, India and South Africa are also taking joint action to place the issue of hunger at the top of the international agenda. Projects financed by the IBAS Fund for combating hunger and poverty are now ready to be implemented.

Brazil will forge ahead with these endeavours throughout 2004, a year in which our country will again chair both Mercosur (from the third quarter onwards) and the Group of Rio. In July 2004, the city of São Paulo hosted the XI United Nations Conference on Trade and Development (Unctad). The Conference examined the possibility of launching a new round of trade negotiations under the Global System of Trade Preferences among Developing Countries (Gstp) and other bolder mechanisms for bringing developing countries closer together, thus consolidating a number of initiatives already under way. In September, President Lula is to organise a fringe meeting at the UN General Assembly, the purpose of which is to examine ways of raising funds for combating hunger and poverty.

The progress achieved to date entitles us to approach the international scenario with confidence in our capacity to blaze new trails and exert growing influence on processes already under way. We should not, however, underestimate the many obstacles and challenges we shall continue to face. These include promoting more even-handed decision-making procedures, defending greater social justice across the globe, and resuming effective international cooperation for peace and development. In partnership with our South American neighbours, Brazil will continue to strive for better living conditions for its citizens in the certainty that we can count on growing respect, good will and support in this region and throughout the world. ■■■

The Chile's foreign policy at the dawn of the millennium

*María Soledad Alvear Valenzuela **

The emergence of globalization both as a phenomenon pervading the environment in which contemporary nations develop and as a mode of comprehending the conditions in which they relate to each other has been swift, intense and inexorable. The speed of advances in communications and their influence on decision-making by governments, individuals and markets affect every sphere of life for countries and citizens alike.

This, then, is the scenario in which Latin America must move. It is a scenario fraught with uncertainties and challenges in which mistakes can have dreadful costs for development and may take years to recover from. As President Lagos said recently: "We seek to build a better world, a world we can bequeath as a legacy to future generations. Nonetheless, we have fewer certainties now than in the past. We may not fear the Apocalypse but we have learnt that resources are not inexhaustible, that damage to the environment menaces the future, that social tensions stemming from the stark inequalities in some of our societies are veritable time bombs."¹ We know that we must find our way in a world that is very different from that of our forbears. Looking

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¹ President Ricardo Lagos Escobar at the 2003 Graduation Ceremony for Students of Chile's "Andrés Bello" Diplomatic Academy. 22 September 2003.

back at the experience accumulated, our only certainty is that we must not repeat the errors of the past. To this end, we must make full use of the resources of the present and those that we can predict the future will bring us.

To venture into this globalized world, we must start out from a continent, from a region. Latin American countries' foreign policy is thus rooted in the region, in its history and its potential. Therein lies the importance of strengthening regional agreements and integration. We need to advance concrete, feasible integration processes otherwise we shall be left as mere spectators standing on the sidelines of global development.

Chile's foreign policy: an overview of present and future

Permanent and programmatic guidelines

Chile's foreign policy derives from two basic sources: permanent principles and programmatic objectives. President Lagos defined them well in his first Address to the Nation shortly after taking office in the year 2000.²

Another key element for understanding Chilean foreign policy is the return to democracy. This has radically changed the way Chile relates to the rest of the world. Our country's return to the international fold, which began in 1990, marked the beginning of a fecund period in the history of our foreign relations.

Permanent aspects have to do with the concepts informing a substantial portion of our diplomatic action. They comprise the immutable principles that underpin our country's international outlook, which our republic has consistently upheld throughout its history.

Programmatic objectives, meanwhile, shape and distinguish the very aspirations, interests and international image that the government of President Ricardo Lagos has stamped on our foreign policy during his mandate. These supplement and extend the objectives and achievements of the nineties.

Permanent principles include compliance with International Law and, consequently, absolute respect for treaties; non-intervention in the internal

² Presidential Address. 21 May 2000.

affairs of other States; peaceful settlement of disputes; and the promotion and defence of Chilean interests.

Consistent adherence to these principles has lent Chilean foreign policy a degree of historic continuity. Since it develops coherently within a stable frame of reference, Chile can be viewed as a predictable, reliable actor in the international arena.

Continuity aims to ensure that foreign policy is treated as a policy of the State. It must pursue strategic objectives that promote social welfare, national development. Chile's international actions, then, must uphold the principles and values that form the bedrock of Chilean society.

In the same vein, the country shares of the values and ideals that unite the peoples of Latin America. We seek – in a joint, cohesive fashion – to further our common aspirations, make our demands heard, put our ideas into practice, and spread abroad the way we view solutions to global problems. This approach is based on our experience and this region's outlook on the world.

The end of a cycle

The return to democracy in 1990 marked a renewal of Chile's foreign policy. Two prime objectives were set at that point: reinserting Chile in the international community and preserving the balanced international economic standing that had consolidated the opening up of our economy.

Chile had spent seventeen years in exile in an international scenario marked by a sharp ideological rift between two opposing blocs. Our country suffered the effects of a period in which reality was interpreted, shaped and reduced to biased, exclusive projects. The fall of the Berlin Wall at the end of the eighties symbolised the end of an era. It also marked the beginning of a process of profound transformation that was to alter the underpinnings of the political, social, economic and cultural structures that had prevailed since 1945. It ushered in a new phase characterised by the phenomenon of globalization.

The resumption of democratic rule in Chile required a renewal of principles, interests and objectives in our foreign policy. This was the historic context in which, in the early nineties, Chile's international stance was branded by the affirmation of its democratic will. As a result, principles such as defence

of human rights, promotion of democracy, and maintenance of international peace and security became the foundations and precepts informing the country's foreign policy decisions.

Meanwhile, the formation of a vast global market, transnational operations, greater interdependence and instant communications obliged Chile to take an open world economy as the starting point for grappling with these new realities. The country thus took a stage further a process that had begun gradually with the unilateral opening up of its economy. The strategy adopted was designed to achieve advances in the multilateral sphere while also establishing bilateral agreements with the world's major markets.

Over the past thirteen years, Chile has managed to integrate fully with the international community. Moreover, it has proved itself to be entirely in tune with the principles that inspire the United Nations and with a world order based on international law and multilateralism. This has enabled us to assume greater responsibilities in the international arena: we have twice been elected non-permanent members of the UN Security Council (1996-1997, 2003-2004); we have stood four times on the Economic and Social Council; we have participated virtually without interruption in the Human Rights Commission since 1992; and we are consistently willing to work with the various multilateral bodies. As for Summit diplomacy, we have organised the World Summit on Social Development and hosted meetings of the Rio Group, the Ibero-American Summit and the II Summit of the Americas. At regional level, we have hosted the General Assemblies of the OAS and promoted adoption of the 1991 "Santiago Commitment," which prepared the way for the Inter-American Democratic Charter.

In addition, Chile has integrated positively in the global economy. Setting out from its own region and the experience obtained in the first agreements it negotiated, Chile has extended its trade farther afield, conquering markets in the Asian Pacific region, the United States and Europe. The choice of these three target areas resulted in intense diplomatic activity which, after several years, led to trade agreements far greater than anything of their kind in the country's history.

The different trade agreements sealed with Latin American countries, the Free Trade Treaties established with Canada, Mexico, the United States of America and Korea, and the Association Agreement signed with the European

Union have opened the doors for us to markets that total approximately 1,300 million inhabitants and more than half the world's Gross Geographic Product.

In brief, by accomplishing the objectives we set ourselves more than a decade ago, we have successfully completed a cycle in Chile's foreign policy. We are now ready to embark on a new phase. The tasks before us now are associated with enabling Chile to attain vigorous socio-economic development in a stable, democratic, socially cohesive regional environment. This will equip it to project a strong national and regional image to the rest of the world and so rise to the great challenges of the 21st century.

This, then, is the prime challenge for Chile's foreign policy. To face it squarely, we have chosen four main lines of action, which we shall proceed to describe below:

Our priority is Latin America

In today's world the future of nations lies in interdependence. Globalization requires joining forces to gain a satisfactory foothold and not be left behind by progress. Whatever the wishes of the players involved, the global perspective is a present reality. Serious consequences will ensue for those who refuse to acknowledge, examine and deal with it in a joint, effective manner.

In the political sphere, small and medium-size States are endeavouring to make their voice heard and exert relevant influence in the world decision-making process. This implies being willing to reach agreements at regional level, promoting our integration and ensuring it suits our national development strategies. We must seek to obtain the benefits the competitive advantages of the diverse areas within the region can bestow in our dealings with the rest of the world.

A key feature of Chile's foreign policy is our belonging to Latin America. We face the world as a region, co-ordinating our positions in order to promote our shared interests and so together be able to enjoy the benefits of development.

Most of the countries in the region are small or medium size. This should encourage us to stress the regional factor on both the political and economic fronts. Commercial competence and liaison in defence of our positions in the

global arena depend on our establishing effective integration. This alone will allow us to enjoy the benefits of economies of scale and the varied potential deriving from permanent dialogue and the pooling of ideas.

To achieve this objective, Chile has embraced the commitment to play an active role in the search for joint solutions to regional problems. We are similarly intent on setting realistic integration targets that will allow us to advance in an orderly fashion and in a predetermined direction.

Likewise, we shall redouble our determination to share experiences and put our full weight behind co-operation programmes that serve to generate a stable environment in the region. To this end, our economies must be controlled from a macroeconomic viewpoint. At the same time, though, they require strong mechanisms capable of launching a sustained fight against poverty and of generating a virtuous cycle featuring good political governance and social progress.

Chile has a commitment to the region that is political and commercial as well as bilateral and multilateral. These dimensions are complementary and necessary.

In the political sphere, we consider it important to continue endeavouring to find solutions to existing problems and also to detect factors, variables or threats that could undermine political and social stability in the region.

We see eye to eye on several key points. All the countries in the region are concerned at the challenges they face in terms of democratic governance and social cohesion. This was the subject of the Rio Group Summit held in Peru in May last year as well as of the OAS General Assembly in Chile last June, the Ibero-American Summit in Bolivia and the Extraordinary Summit of the Americas held in Monterrey. In is clear, then, that we are working together to find ways of achieving development and prosperity for our peoples and of consolidating our democracies.

In this context, institutions such as the Rio Group, the Extended Mercosur and the Organization of American States – to name but a few in which advances have been made at regional level – are relevant forums which Chile will continue to support in its endeavour to come to grips with the overarching issues that are a priority for the region.

Mercosur is the most relevant integration initiative in our geographic vicinity. We wish to see a substantive strengthening of the political dimension

of the Extended Mercosur. It may then become a locus for concerted sub-regional action and thus attain greater stature in the international community. We are similarly keen to see closer ties established considering the broad range of issues on which progress can be made, e.g. macroeconomic co-ordination, the fight against poverty, defence, culture and education, among others.

Meanwhile, we must work to make the Organization of American States operate more effectively. The Organization's agenda needs to be brought up to date to contemplate the issues that most concern the hemisphere as a whole. Its methods and praxis must be made more agile and its structure modernised. Finally, we must establish effective liaison between the agencies comprising the Inter-American system.

Chile's prospects for regional integration are founded on the building of a realistic framework that sets viable, selective targets in sectors where palpable progress can be achieved. This will enable us to open up areas for concerted action that permit the association of existing schemes and the variety of interests at stake.

At the same time, it is imperative to make headway regarding integration on education, the free circulation of people and capital, environment, defence and security.

One key aspect of the Inter-American agenda is a line of action designed to foster democratic governance and social cohesion in Latin America. Working to consolidate sound government and stability in our region is clearly in our national interest since it produces favourable conditions for advancing our development strategy.

The foregoing has led us to put all our weight behind the proposal tabled at the last OAS General Assembly (Santiago, June 2003) to implement an Agenda for Democratic Governance in the Americas. The idea is to pool national and international efforts to help face the new political, economic and social challenges arising in the present context of globalization. This includes forging ahead with the task of enhancing citizens' trust and confidence in democratic institutions.

On the other hand, trade is also a proven means of spurring integration. As stated above, Chile has already established a distinctive set of agreements with all of Latin America, and the region tops the list of our priorities in the economic arena. Indeed, the Americas account for 45% of our foreign trade

and absorb nearly all Chile's overseas investments. Moreover, the region is the main destination for Chile's higher added value manufactures.

A trade issue of common interest to all of Latin America – one which we should persevere in debating – is negotiations for instituting a Free Trade Area of the Americas (FTAA). Chile argues that over and above the distinct, legitimate standpoints being sustained, these negotiations should seek to benefit the entire continent, especially when it comes to setting constant, clear norms for developing all forms of exchange. An environment featuring greater commercial discipline and mechanisms for the settlement of trade disputes that all parties respect and apply will undoubtedly secure better, more stable conditions for exports and investments in the region.

On the bilateral front, we possess an intense working agenda with neighbouring countries and with all other countries in the region. It covers issues such as physical integration and closer co-operation on energy, frontiers and social matters. Integration with our immediate neighbours has far more evident significance given the existence of a network of concrete interests and the dynamics of establishing progressively closer ties. This has rapidly and substantially raised the level of interdependence of our peoples in recent years.

We have pushed ahead on a priority agenda with our neighbours Argentina, Peru and Bolivia that we expect to enhance further still in the next few years. We are undertaking a major drive on a wide range of bilateral issues that we trust will be expanded and supplemented by greater integration in other fields. We trust this will lead to the materialisation of alliances, strategic associations and shared development platforms in all fields in which common interests are identified.

Along the same lines, we are in agreement with Brazil on the urgency of setting a regional agenda to contemplate issues such as economic integration, physical integration (bi-oceanic corridors, in particular), strengthening of democratic institutions, terrorism, burgeoning drug trafficking networks, besides cultural, educational and technological co-operation. We likewise agree that political consultation and liaison mechanisms merit improvement to secure consensual positions in international forums.

As both Chile and Brazil are currently non-permanent members of the United Nations Security Council, we shall continue to endeavour to act in tandem in that forum. Both presidents concur on the need to reform the United Nations System, especially the Security Council, to make it more

representative considering present circumstances in the world. On this particular, President Lagos has reassured President Lula that, should the number of permanent members of the Security Council be increased, Chile will acknowledge Brazil's historical, legitimate aspiration to become one.

We shall also continue to enhance our relations with Colombia, Ecuador and Venezuela, nations with which we have maintained very close historical ties.

Achieving greater presence in Central America and the Caribbean is another relevant component of our foreign policy in the region.

We likewise view Mexico as a crucial part of any policy to form alliances that spur Chile's development and presence in Latin America.

We intend to maintain balanced, mature relations with the United States and Canada. The aim is to guarantee stability in the Hemisphere and open up spaces for dialogue, co-operation and concerted action. That will not only enhance the Continent's security but also boost prosperity for the Americas as a whole.

As mentioned previously, in today's world no-one is sufficient unto themselves, not even the great powers. Globalization, interdependence and transnationalisation imply cross-border flows that unveil planetary prospects beyond the will and control of the main global players.

Latin America must make its voice heard and exert a significant influence on global decision-making. This requires joint action founded on a concrete will to integrate. Our foreign policy thus has a Latin American slant for it is the geographic vicinity in which we live, and everything going on around us affects us directly.

We believe in the need to nurture a spirit of concerted endeavour among the countries of the region. We can then plot a functional, open, flexible course that will allow us to agree on certain subjects and differ on others without excluding anyone. It is far better to join forces to forge basic consensus and carry out what has been agreed upon and to work together to stake out spaces that will assist us in implementing our regional agenda.

Our global and multilateral action: Governing Globalization

Globalization affords advantages concerning investment and trading of goods, communications and establishment of closer ties. Conversely, however,

it provokes imbalances between countries. Moreover, it affects kernel elements of the present international system, which is based on the existence of independent States entitled to take sovereign decisions. It likewise corrodes the established political, economic and social order in most countries.

The problem arising in this new phase is that the current order seems incapable of promoting globalization. Furthermore, the consensus concerning compliance with a set of common norms with which all parties are in agreement has been undermined. Partly this is because globalization presents a novel feature in comparison with similar episodes in world history: it is bereft of a visible political and economic power base.

So far we have highlighted the questioning of present-day multilateralism. The international organisations born in the wake of World War II suited prevailing circumstances at the time, subsequently reinforced by the Cold War. Nonetheless, criticism of the way they operated began to surface more than a decade ago when the first signs of obsolescence began to show in certain fields. This is apparent in the make-up of the United Nations Security Council, in the existence of a Trusteeship Council – when for nearly two decades now no territory has been in trust for it to supervise – and in the workings of the Economic & Social Council.

New players and new moot points have unexpectedly taken the stage in this debate. Governing globalization also implies taking on the great global issues. In this frame of reference, a new debate has arisen about “global public goods.” They are defined as public goods because, regardless of who supplies them (private sector or State), society understands that they should be available to all.

This expression has surfaced in international discussions as a new element for analysis. Although it has not yet been conceptually mapped out and that the idea has so far defied precise definition, that has not prevented it being treated as a subject for reflection and of interest for application in several global policies.

This discussion is compounded by a growing interest in harnessing and fleshing out the “new” multilateralism that many countries seek to bring to fruition. The idea is to make it possible to live with a global system that offers opportunities but also poses threats, especially to more vulnerable peoples and societies.

As mentioned earlier, multilateral matters will in all likelihood be deemed of increasing domestic relevance. The ordinary citizen may yet come to see

performance in the international arena as a matter meriting as much attention as any of our national policy issues.

Renewing multilateralism is thus also imperious from this standpoint. Indeed, the structure and distribution of powers will largely dictate the extent to which States will be independent in the future.

Fresh new structures are required for dealing with global macroeconomic conundrums, regulation of international trade and financial stability. The same applies to the environment, international justice, human rights, the fight against pandemics, cultural diversity, knowledge and use of common goods. We need a different kind of multilateral system if the aim is to foster social cohesion on a global scale and bring about a world with clear rules and opportunities for all. Otherwise, without universally applicable law, the law of the jungle will surely prevail.

For Chile, multilateralism and International Law are crucial instruments for adequately promoting and defending the country's interests. We must concentrate on strengthening these institutions and building a world order based on principles and the rule of law.

Our global and multilateral action, then, follows guidelines based on permanent principles and values that stem from the country's deep democratic conviction, on appreciation of international relations, mutual respect among nations, and the quest for higher standards of international coexistence. Among these, the following guidelines deserve special mention:

- (a) We shall sustain Chile's active participation in the forums the international community has created to discuss these issues (e.g. the International Task Force on Global Public Goods, led by Sweden and France). Likewise, our status as a non-permanent member of the Security Council in 2004 is a significant opportunity for pressing home our stand on these issues. In this sense, the tasks to be tackled have to do with enhancing the international community's role in consolidating peace and making progress on the renewal and strengthening of the United Nations Organization, supporting the work of the Panel of Eminent Persons, and giving the Secretary General backing in this undertaking.
- (b) We shall increase our efforts to promote democracy and human rights as the basis for civilised coexistence and as a hallmark of our foreign

policy. (Hemispheric Governance agenda, Community of Democracies, system for the protection of human rights.)

Vis-à-vis the Community of Democracies, we have been entrusted with the task of organising its next meeting due to be held in the first quarter of 2005.

Ever since September 11th, 2001, the fight against terrorism and control of weapons of mass destruction have acquired capital importance. Chile believes these issues should be addressed by the entire international community in the appropriate multilateral forums. In combating the scourge of terrorism, due care must be taken to ensure full respect for human rights.

- (c) We shall continue to collaborate in UN peace-keeping missions and to work to reach a consensus on notions of security for people (Human Security Network). Meanwhile, we shall continue to develop the new approach on confidence building measures with immediate and regional neighbours. We shall also work on new methods for making our purposes transparent and procuring the means to secure our defence.
- (d) We shall help develop a social agenda for the governance of globalization, bringing our capacity and experience to bear on the following issues: health, education, campaigns against discrimination, development of indigenous communities, information society, and science & technology.
- (e) Chile is deeply committed to the sustainable development agenda, for it has a direct bearing on our country's future. It largely depends on sustainable exploration of natural resources. We shall therefore maintain our active participation in the main forums where this issue is debated, in diverse multilateral negotiations on the environment and at international bodies that devise sustainable development policies.
- (f) Regarding certain special regimes, as a signatory of the Antarctic Treaty, Chile will continue to play an active role in perfecting the regime applicable to the Antarctic and to provide active support for the work of the Secretariat set up for that purpose. On maritime matters, we are developing an active policy combining global and regional approaches (Cpps³), particularly regarding conservation of

³ Permanent Commission for the South Pacific.

maritime resources and norms on shipping of hazardous substances. Concerning space and aeronautics, we concentrate our efforts on obtaining access for Chile to leading-edge technologies and on helping Chilean corporations to improve their standing in the international aeronautical market, besides improving our astronomical observation capacity.

In March 2004 we hosted the First World Biotechnology Forum, bringing together an assortment of specialists to discuss a subject that has become increasingly important for all mankind.

Open trade and implementation of Free Trade Agreements and Treaties

Given the size of our economy, national development is singularly dependent on free trade and full insertion in world markets. Increased productivity, scale production and access to broader markets are the best way to improve the country's labour prospects and sustain high growth rates, technological innovation and effective allocation of resources.

We intend to achieve multiple, flexible global incorporation. This degree of insertion will allow us to engage fully in regional and bilateral integration processes besides affording Chilean importers and exporters legal and economic security.

The international economic strategy Chile has adopted in the context of so-called "open regionalism" comprises three major instruments or paths toward attaining the prime objective of free trade: unilateral opening of its markets; multilateral trade negotiations; and negotiated deregulation at bilateral and regional levels. Thus, in the near future, more than 75% of Chile's trade will be tariff-free. This will not only benefit our economic efficiency but will also help to boost and diversify our exports to include goods with higher added value and services.

A major challenge for Chile is to take full advantage of the benefits and potential the Free Trade Treaties we have signed can afford us, consolidating collaboration between the public and private sectors. This means tackling a highly complex task typical of this stage in the administration of such agreements. Among other things, it involves preventing or forecasting any

problem that may arise and then consistently responding with international quality standards.

As from 1st February 2003, 85% of all Chile's exports to the European Union (the country's main trading partner) are tariff-free. At the same time, the EU is the main source of the foreign investment and international co-operation it receives.

The Agreement with the EU has enabled us to boost job creation and improve the quality of employment besides raising competitiveness, modernising business and production. Above all, it has given our export drive a fillip and helped diversify our range of products, particularly in the different regions of the country.

On the other hand, the treaty drawn up with the United States creates a solid, far-reaching free trade zone between the two countries which is balanced and broad-sweeping. It covers all aspects of our bilateral economic exchange including trade in goods, government purchases, promotion and protection of foreign investments, cross-border services and the protection of intellectual property rights. It also encompasses features associated with the new economy such as e-commerce and telecommunications, as well as environmental and labour issues.

The chance to compete for government purchases and other opportunities that FTAs afford requires us to devise instruments that will allow them to be duly profitable. Likewise, it is essential to prepare public institutions for the challenges posed by an open, global economy. That implies promoting a "country image" and working with the public and private sectors to accomplish shared objectives.

Entering such demanding markets as the United States and the European Union has made us redouble our attention when it comes to prevention. We shall seek to steal a march on any problem that may arise, providing a permanent response by compliance with international quality standards. This will enable our exporters to match their competitors. Only then will we be in a position to take full advantage of the benefits these agreements can secure in terms of trade, investment opportunities and the tangible gains ensuing from juridical regularity, which makes a country a reliable partner.

Meanwhile, our membership of the World Trade Organization (WTO) is directly associated with our determination to obtain a solid multilateral trade

system that is fully legitimised and sets down clear rules and principles for international trade.

By this token, our country sets great store by the success of negotiations in the Doha Round. The WTO is the forum that frames the norms for disciplining world trade and this alone can vouchsafe a fair international trade system to a small, open economy such as Chile's.

We have made it crystal clear that the time has come for industrialised nations to put an end to the unfair competition that spawns more poverty in developing countries. We must convert the rhetoric that accompanied the launching of the Doha Round into actual political will to resolve our problems and to put what we have agreed upon into effect.

Chile will continue to strive for a resumption of Doha Round negotiations by seeking to build bridges and find common ground in the positions of the WTO's different member states, without neglecting to defend its national interests.

Asia-Pacific: Chile 2004 Apec Year

If Latin America is our natural home ground, the Asian-Pacific basin is specially relevant to our country. Chile is a Pacific rim country and maintains ties with countries in this vast region that in some cases reach far back into the earliest stages of our history.

As from 1990, our Asian-Pacific policy has acquired a multilateral dimension that has led to our membership of the Asia-Pacific Economic Cooperation Forum (Apec). This forum was established in 1989 and has since become the world's largest trade integration undertaking. Taken together, the economies of Apec member states account for more than 50% of global GDP and 47% of all international trade.

For this reason, Chile's hosting of the next Apec Leaders' Summit and the celebration of Chile 2004 Apec Year together represent the chief multilateral administration challenge to which Chile's foreign policy must respond. This is the biggest political-diplomatic commitment our country has ever assumed before the international community.

The Summit will allow us to promote Chile's foreign policy objectives regarding the Asian-Pacific Basin among the economies of the region. It will

also give us an opportunity to consolidate our status as a bridge between the Asian-Pacific countries and Latin America. From this standpoint, the priority we ascribe to Latin America will be enhanced by the association of these two regional spaces under the auspices of Chile 2004 Apec Year, particularly in relation to Peru and Mexico, which are also APEC members.

The so-called “Bogor Goals” are a major milestone in Apec’s short history. In the light of them, developed countries undertook to deregulate their economies completely by the year 2010 (Chile has voluntarily included itself in this group), less developed economies following suit by the year 2020.

Three official strategies have been chosen to accomplish the Bogor Goals. The first concerns the so-called Individual Action Plans (IAP) and the second Early Voluntary Sectoral Liberalisation (Evsl). The third is a commitment to liaise on multilateral action in trade negotiations within the framework of the WTO.

Three fields have likewise been selected for accomplishing the objective of free trade: deregulation of trade and investments (elimination of tariff and non-tariff barriers); promotion of trade (lower commercial transaction costs and improved access to information); and economic and technical co-operation (to enhance the States’ capacity to accede to free trade).

Following consultations with the economic authorities of APEC members, Chile has drafted an agenda for the year 2004 based on three key aspects: the Forum’s permanent agenda; the shared interests of Apec economies; and the Chilean Government’s agenda and its focus on the Forum:

- (a) Apec as a catalyst of the multilateral trade system: Apec is expected to help break the deadlock in WTO negotiations, which have ground to a halt since the Cancún Ministerial meeting.
- (b) Institutionalisation of Free Trade Agreements and Regional Trade Agreements: Apec can help provide these types of agreements with an adequate framework so as to advance the process of deregulating trade.
- (c) Trade Promotion, Trade and Security: A Plan of Action is to be developed as part of Apec 2004 to facilitate implementation of Apec economies’ commitments concerning security.
- (d) Development of Small and Medium-Size Businesses: Support for the establishment and determined public-sector backing for the development of small and medium-size business concerns.

(e) English as the Working Language for doing Business: Improving educational methods for expanding the use of English in Chile. A long-term Plan of Action is to be established to ensure the target of making English the working and business language of APEC economies can be met.

Conclusion

The consistency and coherence of Chile's foreign policy are based on the country's continued adherence to the values and principles it has historically upheld, respected and defended. These include strict compliance with International Law, non-intervention in the affairs of other States, and the integrity of treaties.

Chile's efforts to restore democracy have yielded good fruit. These, in turn, pose challenges inherent in and proportional to the results achieved.

As a result, continuity and change are the watchwords of this new phase in our foreign policy. Continuity in defence and promotion of models of international coexistence based on greater social cohesion and the advancement of democratic rule. Change, meanwhile, in our stance toward the globalization processes currently under way, concerning speedy technological advances and the so-called "information society" and the surprising dimensions of the new fields they have broached.

This historical development we are witnessing holds out more questions than answers and more challenges than certainties. This is a powerful incentive to employ our creativity and display our considerable potential. In order to achieve development, we must make the most of the opportunities on offer in a world where countries stake out their place on the basis of their national and regional realities.

Latin America is the mainstay of our foreign policy. This is the geographic, political, economic and cultural space we and our descendants live in and will continue to inhabit. We are convinced that frontiers and countries are places well suited to exchange, integration and fruitful dialogue where we can build bridges that directly benefit our peoples.

Chile seeks the development of Latin America as a whole. Our international action acknowledges the region as its base, the locus from which

Chile opens its doors to the outside world. This is the starting point for us to grasp firmly the opportunities globalization can afford, using all the spaces and tools at our disposal.

Satisfactory accomplishment of our foreign policy objectives depends, first and foremost, on our ability to pinpoint the issues that will drive the future. ■■■

The Colombia's foreign policy: democratic governance, shared responsibility, and solidarity

Carolina Barco *

The foreign policy of a country is determined by the combination of the international reality and its internal situation. The irreversible dynamics of globalization and the transnational phenomena that characterize it increase this interdependence.

The current world offers numerous new opportunities that should be taken advantage of, but they also carry threats of a global nature, attempting against the structure of national societies and democratic governance of the States.

The historic situation that Colombia is going through highlights the crudeness of this reality. Violence and insecurity generated by terrorism and financed, with special strength in the country, by the transnational business of illicit drugs – and related crimes: bad usage of chemical precursors, money laundering, and illegal trafficking of firearms, ammunition and explosives – and by other criminal activities such as kidnapping, extortion, compromise the economic and social development of the nation, turn rule of law vulnerable, weaken democratic institutions and affect the civilian population.

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This cycle cannot be broken if firm and decided commitment of the international community is not added to the efforts and sacrifices of the government and the Colombian people.

Colombia's foreign policy cannot ignore this context. This is why it should be used as support and complement to internal efforts to face the challenges of national reality, in addition to the traditional purposes that characterize international management of a developing country.

Reconfiguration of the world order

The world order is in process of reconfiguration – as is manifest by the patent tension in the international community – between the unilateral actions and the need to strengthen multilateralism and the Organization of the United Nations in order to fulfill its purpose to preserve international peace and security.

In the words of UN's Secretary-General Kofi Annan, the world faces “old threats in new and dangerous combinations.” The new forms of terrorism – financed with drug money – the proliferation of weapons of mass destruction, the extrapolation of internal conflicts and the illicit traffic of firearms are a few of the challenges that the international system is up against.

Also, it is mandatory to talk about the so-called non-armed threats, such as the persistence of extreme poverty, the widening of the gap between rich and poor countries, and the increase of exclusion in the bosom of national societies. These phenomena are factors of instability that cannot be underestimated.

Consolidating combat to terrorism as one of the central points of international relations and the consequent strengthening of the link between foreign policies and security did not weaken the desire of a global order based upon cooperation, solidarity, dialogue and negotiation.

This tendency coincides with the callings for social cohesion and economic development as basis for a more humane globalization that favors governance and consolidates democracy, and guarantees a fairer and more just international system for all.

Colombia's foreign policy does not ignore the complementary natures of these two visions, seeking the active participation of the country in building a new world order – perfecting both its insertion in the international community

and its negotiating capacity – not forgetting the defense of its national interests and the improvement of living conditions of our fellow citizens.

I. Guiding principles

Colombia's foreign policy is a state policy whose cornerstone is the connection to principles and norms of International Law established in the Political Constitution and in the Charter of the United Nations. Among them we highlight sovereign equality, non-intervention in internal affairs of other states, good faith in fulfilling international obligations, peaceful solutions of controversies, and abstaining from threat or use of force. Its management is inspired, also, in the following guiding principles.

1. Democratic Governance

It is necessary to defend and preserve democratic governance in the national realm. For this, the government committed to strengthen rule of law and re-establish the empire of law in the national territory. The policy of democratic security seeks to return security and order to Colombians and guarantee the full exercise of democracy, as well as the basic rights and liberties, in a context of political pluralism and citizen participation, and in the realm of a total commitment to human rights and International Humanitarian Law.

This effort was followed by a responsible work in economic issues, directed, mainly, to adjust finances of the State, reactivate the economy, generate of jobs, and create essential social investment.

In addition, there were advances in public administration reforms to adjust the institutions to the needs of the country and optimize the state's efficiency, without abandoning the firm commitment to combat corruption and malfeasance of public resources.

With the drive to contribute to fulfill these goals, foreign policy is working to obtain political support and concretization of commercial opportunities and projects of economic and financial cooperation. It wants to highlight, in the international scope, the objectives of the government in issues of equity, reduction of inequalities, and defense of vulnerable populations.

The greatest challenge of Colombia's foreign policy, currently, is to effectively transmit the message that Colombia is strengthening democracy and governance in the national territory and promoting development with equity; that it continues to fight against terrorism and perseveres in the unbending commitment to combat drugs. But this effort is not enough: there is the need for concrete, determined, and immediate actions from the international community.

2. Shared Responsibility

Colombia's foreign policy recognizes and values the existence of a shared responsibility on the part of the international community in relation to the world problem of drugs and related crimes as well as to combat terrorism and its sources of money. This responsibility presupposes combining the firm commitment of other states and of every international actor to the action of the Colombian government, to contribute to eradicate these curses.

Whoever accepts shared responsibility accepts the integral nature of the problems of global character, and, therefore, the need to face in a balanced way every stage of the criminal chain not leaving aside the humanitarian crises that may derive from these phenomena. Hence, it is a priority for foreign policy to obtain international commitments to combat the diversion of chemical precursors, money laundering, illicit trafficking of arms, ammunitions, and explosives, as well as other activities such as kidnapping, extortion, and illicit exploitation of natural resources that constitute substantial part of the sources of financing of terrorism networks.

In the light of the principle of shared responsibility, Colombia supports and promotes every international effort destined to combat activities that threaten democratic governance and feed terrorism and violence in every latitude.

3. Solidarity

Colombia asked for support from the world to defeat terrorism in all its forms and manifestations, being solidary to the world fight's against this phenomenon. This implies promoting frontal combat against its sources of finance, closely linked to the criminal business of illicit drugs and its related crimes.

International solidarity should translate into programs and projects that complement the government's efforts on economic and social issues and help combat the effects of violence and the deterioration of the socioeconomic tissue of the nation especially in areas where there are illicit plantations. This is how foreign policy seeks to support social investment and the plans to combat poverty, favor generation of jobs and increase of programs of humanitarian assistance.

II. Strategic objectives

Colombia's foreign policy is oriented to attain the following objectives:

1. Defend national sovereignty and stimulate the total development of the frontiers

Ensure the integrity of the territory and stimulate concerted development of the frontier zones are purposes that reflect the highest interests of the nation. In order to fulfill it, and under the direction of the President of the Republic, the Ministry of Foreign Affairs currently leads the implementation of a double strategy that tries, firstly, to defend and underwrite Colombia's jurisdiction in the spaces of its maritime and terrestrial sovereignty, in conformity to the principles and norms of International Law. Particular emphasis is given to the safeguard of Colombia's rights and interests before the demands imposed by Nicaragua before the International Court of Justice, while links with bordering countries are strengthened at the same time.

Highlighted among them are the integration spaces, such as the neighborhood committees and the binational committees, besides other mechanisms, such as the Colombia-Venezuela presidential negotiation committee.

Secondly, there is an inter-sectorial committee of integration and border development, which promotes enhancement of infra-structure, the realization of productive projects with local and regional participation, and, generally, the development of public policies to improve living conditions in the frontiers.

In the scope of the Andean community, there is promotion of a common foreign policy and a joint policy of security to coordinate strategies in issues

such as combating drugs, terrorism and frontier security. Also, there are advances in implementing actions that generate benefits for the frontier population, in the work areas, protection of the environment, and social protection.

2. Consolidate strategic bilateral relations

The relations of Colombia and other countries and groups of countries should be seen as part of a comprehensive strategy to achieve the objectives of foreign policy and of the goals predicted in the National Development Plan. This strategy includes:

- Strengthening the links with Latin America and the Caribbean, emphasizing the relations with neighboring countries;
- Consolidation of a strategic relation with the United States and developing closer ties with Canada;
- Consolidation and development of a comprehensive agenda with Europe;
- Broadening and deepening a political dialogue and exchange with Africa and the Middle East.

3. Defend and promote national interests in the multilateral scenario

Colombia's foreign policy is characterized by a firm commitment to multilateralism. That is reflected in its active participation in international fora, particularly in those that deal with themes of the global agenda pertinent to Colombian reality.

This seeks to promote international actions on issues related to the situation of the country and obtain support for the efforts destined to boost economic and social development.

In the global front, we prioritize:

- Strengthening multilateralism;
- Defending and promoting human rights and International Humanitarian Law;

- Treating the world problem of drugs and combating terrorism, corruption, and organized crime;
- Protecting and preserving the environment;
- International cooperation; and
- Relations with non-governmental organizations and other actors of civil society.

4. Support the policies of the National Plan of Development in the international scope

The National Plan of Development pointed out four basic objectives regulating government actions – guarantee democratic security, promote sustainable economic growth and the generation of jobs, construct social equity, and increase transparency and efficiency of the state – thus directing foreign policy to support the implementation of these objectives.

On issues of democratic security, we seek the global support to combat terrorism and drugs, striving to improve the understanding of the reality of the country by the international community.

Sustainable economic growth is stimulated through international negotiations to obtain financial resources and to have preferential agreements of trade and investment with countries or regions of special importance for Colombia. The political support of the Ministry of Foreign affairs in Colombia's negotiations of economic and commercial nature is an important component of this effort.

Social equity and human development seek programs of technical assistance and projects of cooperation in strategic areas for economic and social development. Besides, the Ministry follows the international accords signed by Colombia in this area, and the management of program of humanitarian assistance.

Lastly, the Ministry is working with the Vice-Presidency of the Republic in the fight against corruption and political influence, and for the state's transparency and efficiency.

5. Improve the comprehension of the reality of the country abroad

Limited or biased perceptions of the reality of the country are an obstacle for the full development of political, economical, and commercial relations with other states, also making the actions of Colombia in international organizations and in fora of regional or hemispheric character difficult. Besides, they harm communication with non-governmental organizations and other actors in civil society.

Therefore, the main goal of Colombia's foreign policy is to seek a better understanding of the country's situation on the part of the international community by correcting these perceptions.

The realization of this objective implies developing a communication strategy in coordination with the Presidency of the Republic. It implies, also, recognizing and potentializing the work of businessmen, scientists, artists, sportsmen, and other compatriots that are part of Colombia's presence abroad and help promote the image of the country.

It demands, equally, efficient work on the part of the embassies and consulates, on issues such as promoting our biodiversity, the widespread and use of Colombian cultural richness, creation of spaces of dialogue with civil society and promoting and forming study groups about the Colombian reality.

6. Strengthen links with Colombian communities abroad.

Currently, 4.5 million Colombians – about 10% of the population – live abroad. The government is committed to strengthening the links with our communities abroad – establishing a two-way communication with them, for mutual benefit – recognize them as vital part of the nation, and make them targets of public policies.

With this objective, programs are being designed to improve the living conditions of our compatriots in the different countries of residence and their process of insertion in local societies. A few lines of action used by the government to reach these goals are signing labor, emigration, education, and social security agreements with countries recipients of Colombian emigrants;

promotion of programmed savings account to purchase housing in Colombia; possibility for the emigrants to access housing credit in the country; and reduction of costs of money orders.

In addition to this, the Ministry of Foreign Affairs recognizes the need to strengthen consular assistance in legal and social issues and inform our compatriots about their rights and obligations as immigrants.

The importance of the work that the members of the Colombian community abroad is undeniable, especially those organized in associations. For this reason, we promote the configuration of thematic and geographic networks, as well as initiatives that allow involving them in planning, developing, and, also, financing programs and social projects productive for the country.

Likewise, we try to take advantage of the potential of Colombian businessmen, creators, or researchers whose work have international recognition, so that they contribute with the basis of their experience in other countries for the economic, cultural, and scientific development of the nation.

Although the government is not able to provide every solution, it has the responsibility and the duty to facilitate the encounter and foster the contact, and, in what touches the Ministry of Foreign Affairs, give effective answers.

III. Lines of action

Colombia's foreign policy is structured according to thematic lines of action, on one hand, and on the other, along geographic areas. The thematic lines of action correspond, in their majority, to themes of the global agenda approached multilaterally, mainly, but are also integral part of the foreign policy strategy in the bilateral level. Lines of action by geographic areas touch upon themes from a regional perspective.

A. Thematic lines of action

1. Strengthening multilateralism and its action in Colombia

Foreign policy seeks to promote an active participation in the international fora – governmental and non-governmental – and in the spaces where themes

of interest for the country are debated. We pursue, thus, the consolidation of relations with international organizations, their agencies and other bodies, especially with those that play an important role in defining of implementing programs in Colombia.

Besides, strengthening multilateral instances is considered of vital importance to guarantee more democratic and balanced international decision processes. In this regard, strategies of participation in fora of agreements with the Movement of the Non Aligned Countries and the Group of the 77 are promoted.

The Organization of the United Nations

Colombia highlights and defends a preponderant role for the Organization of the United Nations in preserving and constructing international peace and security, in promoting economic and social development of peoples, and in fostering international cooperation.

Its continued commitment to strengthening the Organization can be verified, for example, in the support for initiatives destined to adapt its operational system to the new realities of the international system. This was obvious in Colombia's most recent action as a member of the Security Council of the United Nations, when it had the chance to promote, in this Council, the discussion of themes of interest for the country, such as traffic of firearms and protection of civilians in armed conflicts.

In turn, the United Nations has had a particular relationship with Colombia, based, mainly, on the support that this Organization and its specialized agencies offer to the efforts to restore peace and democratic governance in our country. In this regard, the joint work with the UN's Secretariat and, especially, with its Secretary-General, grants priority character to the country. Colombia's government has requested, valued, and supported the good offices of the Secretary-General to explore ways for peace with illegal armed groups, based upon an effective ceasing of hostilities.

Also, the work of the funds and agencies of the UN system in searching solutions for the humanitarian problems that the country is going through is highlighted. The Ministry of Foreign Affairs works with these funds and

agencies to coordinate and monitor the programs of cooperation and assistance to benefit the affected people by the different manifestations of violence, particularly of dislocated populations.

Lastly, the decision to extend in four years the term of the Office of the High Commissioner for Human Rights in Colombia was adopted within the spirit that inspires the government to promote policies of democratic security in rigorous respect for human rights and for International Humanitarian Law, reflecting a disposition of collaboration and closeness that guides the relationship between Colombia and the UN system and its agencies.

The OAS and the inter-American system

The Organization of American States – a privileged scenario for Colombia's foreign policy – plays a principal role in maintaining the democratic and security order in the hemisphere today, as well as in implementing treaties attained in the Summit of the Americas and in the consolidation of a Free Trade Area of the Americas (Ftaa). It will also play an important role in seeking peace in our country.

Colombia's foreign policy supports the work of the Organization while seeking:

- To strengthen the Unit to Promote Democracy, that seeks to fulfill the purposes contemplated in the Inter-American Democratic Charter;
- To advance the works to reinforce the system of collective security in the hemisphere and the Inter-American Committee Against Terrorism; (Cicte);
- To strengthen and consolidate the Inter-American System of Human Rights;
- To promote the Consultative Committee for the Inter-American Convention Against Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials ("Cifta Committee");
- To increase the role of the Organization in the process of monitoring the Summit of the Americas; and

- To progress in the implementation of the multilateral mechanism of evaluation in combating drugs.

Other organizations and multilateral regional mechanisms

Colombia's participation in organizations and in the mechanisms of agreements and hemispheric and regional integration is a fundamental tool of management of foreign policy and obeys the constitutional mandate that binds the country to regional integration.

The Ministry of Foreign Affairs will continue to privilege regional scenarios and fora, such as the Andean Community, the Group of Rio, the Group of Three, the Treaty of Amazon Cooperation, the Association of Caribbean States, Caricom, Ibero-American Summit, and the Summit of the Americas, to promote joint strategies in the area and stimulate economic and social development, democracy, and governance. In these scenarios it will also seek to advance in combating illicit drugs, illicit traffic of arms, ammunitions and explosives, money laundering, terrorism, corruption, and organized crime.

2. Defense and promotion of human rights and International Humanitarian Law

Violence derived from drugs and the growing threat of terrorism affect, mainly, the civilian population. Therefore, the government adopted a policy of promotion and protection of human rights and defense of the International Humanitarian Law that requires the support of the international community to increase its effectiveness.

To prevent violations and combat impunity, it is necessary to develop actions such as identification and prevention of forced movements; implement measures that will promote International Humanitarian Law; strengthen administration of justice, especially in the cases related to human rights; and, no less importantly, strengthen and modernize institutions.

In the scope of the Inter-Sectoral Unit of Human Rights and International Humanitarian Law, the state keeps a permanent dialogue with international organizations, which contributes to the implementation of the

mains international instruments of human rights in the inter-American system and of the UN system.

The participation in specialized multilateral fora is another means utilized by the Ministry of Foreign Affairs in its active search for support and cooperation with those that can contribute to solve the humanitarian situation. So, the Ministry has tried to coordinate donors and international agencies that collaborate in this search.

Internal dislocations are one of the social phenomena that concern the government and the international community the most, in such a way that, in addition to managing the resources and coordinate activities with other countries and organizations that give humanitarian aid and along with the civil society, the Ministry has developed efforts to consolidate trustworthy statistics that will facilitate the design of solutions in accordance with the needs of the affected population.

3. Social equity and human development

The economic crisis and the problem derived from violence and traffic of illicit drugs in Colombia have caused a great deterioration of the social indicators and of human development, especially in certain regions and population groups. Bearing this panorama in mind, the government had to face three great challenges: increase the efficiency of social expenditures, take resources to the neediest, and consolidate a system of protection and social assistance to mitigate the effects of the social crisis and fiscal adjustment.

The Ministry of Foreign Affairs is committed to constructing social equity and human development – goals spelled out in the Development Plan – so one of the purposes of its foreign policy is to promote this agenda at the international level. For this, we actively participate in international fora that deal with issues such as social development; elimination of discrimination against women and the role of women in maintaining peace and security; the rights of children and adolescents; HIV/Aids; the elderly; the rights of emigrants; and protection of indigenous communities and other minorities.

Coordinating Colombia's position in these meeting with government entities and civil society organizations; monitoring Colombia's commitments

in special assemblies and world conferences held about these themes – where we can point out the UN's Summit of the Millennium – and developing activities that will publicize the agreements reached within the country, and promote compliance to them is an integral part of foreign policy.

4. The fight against the world problem of drugs and terrorism

In the same way that the illicit trade of diamonds, timber, and other natural resources feed armed conflicts in other latitudes, in Colombia the business of illicit drugs and related crimes harm democratic governance to the extent that they contribute to the degradation of the political situation, deterioration of the economy, weakening of institutions, and destruction of the social tissue. They are one of the causes for violence and its principal source of finance, and, along with capturing the surplus in the petroleum industry and its byproducts, they feed terrorism, which make the civilian population and a society as a whole vulnerable.

The Ministry of Foreign Affairs actively seeks international support for government policies, aiming to eradicate drugs and defeating terrorism, through projects of technical cooperation and assistance in the military and police areas, as well as with international agreements to strengthen activities of judicial assistance and promote projects of alternative development.

It also encourages the implementation of international agreements about terrorism and promotes the approval of agreements that Colombia is still not a party of, in addition to negotiating new instruments in the hemisphere and in the Andean region.

On the other hand, the Ministry of Foreign Affairs promotes the initiative of the international community to reduce the demand of drugs, control of commerce of chemical precursors, and money laundering. Also, it encourages adopting measures that help combat kidnapping and extortion, sources of financing of terrorist groups.

Foreign policy is particularly occupied with the issue of controlling the illicit traffic of small and light weapons, whose discussion is promoted by Colombia at the United Nations – both in the General Assembly and in the Security Council – and in the Organization of American States. Likewise, it is

pertinent to highlight the commitment the country has to implement international accords about anti-personal mines.

5. Protection and preservation of the environment

Colombia is one of the five countries with the greatest biodiversity in the planet, which represents an asset that strengthens the positions of the country in different spaces of negotiation, but implies an international responsibility.

Colombia's foreign policy demands, in the international arena, the principle of common responsibility although differentiated, due to which developed countries should take the lead in problems as grave as climate change and its adverse effects, and provide financial assistance to developing countries. In this way, our country has defended the focus of precaution, established in principle 15 of the Declaration of Rio About the Environment and Development as the directing axis of multilateral environment agreements.

Colombia's international strategy on issues of the environment includes the participation of international negotiations of a bilateral or multilateral manner, especially those of the United Nations Program for the Environment – such as the Convention on Biological Diversity, the United Nations Forum on Forests, International Tropical Timber Organization, and the United Nations Framework Convention on Climate Change and the Kyoto Protocol – as well as the monitoring of the different agreements.

In addition to the initiatives resulting from the implementation of Colombia's environmental agenda, foreign policy tries to support programs of cooperation that complement the national strategy based upon the three pillars of sustainable development: social, economic, and environmental issues. The inter-relation between environment and development occupies a central place in the conclusions of the World Summit on Sustainable Development in Johannesburg, as well as in the decisions of the environmental conventions of the United Nations.

6. International cooperation

The Ministry of Foreign Affairs, with its network of diplomatic representation, is the central point of the effort to materialize the commitment

of the international community to implement the National Development Plan, since international cooperation can no longer be seen with the traditional point of view of aid to development, but an integral tool for it.

From this perspective, Colombia has sought, on the one hand, a bilateral approach with different countries, and on the other, the realization of an International Table of Coordination and Cooperation, proposed as a space for open bilateral and multilateral negotiation, that will channel official aid to development – coming from the international community and from the national and international private sectors – for six priority areas:

- Democratic governance;
- Attention to dislocated persons and programs of humanitarian assistance;
- Demobilization and reinsertion of members of armed groups;
- Regional programs of development and peace;
- Productive development; and
- Preservation and protection of forests.

International cooperation can and should be an instrument to strengthen Colombia's relations with other third-world countries, the reason so much importance to horizontal cooperation is given, that aims to take advantage of our experience to find solutions for common problems in the developing world and strengthen the technical capacity of national institutions.

7. Relations with civil society

Colombia's foreign policy recognizes the growing importance of non-governmental actors in the international context and values their independence and critical sense in their analytical task, elaboration of proposals, and monitoring of the international agenda. Consequently, the Ministry of Foreign Affairs wants to consolidate, along with the non-governmental organizations and other entities of civil society – such as political parties, foundations and think-tanks – a relationship based on transparency and mutual respect, that will favor an open debate about

international management and themes of the world agenda strategic to the country.

B. Lines of action by geographic areas

1. Latin America and the Caribbean

The geographic and cultural surroundings of Colombia are regions of Latin America and the Caribbean, and the relationship with countries in this region is a natural priority of the country's foreign policy.

The consolidation of this relationship has two main purposes. The first of them is to reinforce bilateral links strengthen the political dialogue about themes of common interest, and promote commercial exchange, while the second purpose is to defend national interests – starting with our sovereignty.

With the neighboring counties, we try to support programs of frontier security and the wholesome development of the frontier areas, as well as advance in the different themes of the binational agenda pertinent to neighborhood committees, a mechanism that remains useful as a space for dialogue and integration. Besides these committees, there are binational committees that are an efficient way to tighten links with countries to which we are bound by fraternal ties and regional and thematic coincidences that should be preserved and strengthened, as well as mixed committees of cooperation that offer another space of work to consolidate relations with other countries in the region.

Colombia's foreign policy wants to energize the projection of the country in the Caribbean as a whole and exert leadership in the fora of integration and agreements in the area, especially in the Association of the Caribbean States and the Group of Three.

2. Regional integration and agreement

Integration with Latin America and the Caribbean is a constitutional mandate, in obedience to which the Ministry of Foreign Affairs acts, simultaneously, in different scenarios of integration, with economic, political, social, and cultural objectives.

In the Andean Community, we seek a multi-dimensional integration that will strengthen community market and ease negotiations of agreements with other countries and regional groups.

Through a common foreign policy, we seek to revitalize the Andean agenda with the following principal objectives:

- Consolidate democracy;
- Strengthen peace and security;
- Combat drugs, terrorism, and corruption;
- Eradicate poverty; and
- Sustainable development and economic integration.

There was also progress in consolidating a common policy of Andean security, to establish commitments and perform joint actions that will allow us to efficiently face problems such as delinquency and organized crime, illicit drugs, and terrorism.

Our foreign policy tries to deepen the current integration processes, such as the Group of Three, persist in the existing processes of integration with other countries, such as Chile; and tighten economic, commercial and political relations with critical regions for the country, such as Central America, the Southern Cone and Caricom.

The efforts developed within the Group of Rio continue to be vital for Latin-American understanding, still applicable in foreign policy. For Colombia, this forum is not only a space for reflection, consultation and construction of common regional positions around the great international themes, but also a mechanism that favors and reinforces the capacity to talk with other countries and groups of countries, such as Canada, China, Russia, Japan, the European Union, the Community of Independent States, and the Asean, among others.

Lastly, the country's active participation in developing the Amazon Cooperative Treaty aims to implement programs of use and development of Colombian Amazon, the use of its biodiversity and increase and improve infrastructure.

3. United States and Canada

Colombia has maintained a strategic relationship with the United States, a relationship that tightened and increased in the last decades due to the joint

combat to illicit drugs and related crimes, and, more recently, in the area of cooperation between the two countries in combating terrorism. The government proposes to strengthen the channels of communication, as well as to increase and consolidate the existing cooperation.

The United States is Colombia's principal trade partner and one of the main sources of investment, and offers support through multilateral credit organizations – an important factor in seeking macroeconomic stability and in financing and growth of Colombian economy.

Our foreign policy wants to strengthen economic cooperation with the United States, increase and diversify commercial relations, promote the use of the benefits of the Andean Trade Promotion and Drug Eradication Act (Atpdea) and encourage new investments, agreements of cooperation, and technical and financial assistance.

With this purpose, there was advance in the negotiation of a bilateral free trade agreement, parallel to the process of negotiation of the Free Trade Area of the Americas (Ftaa).

On another front, we continue to insist on the work of promoting the adoption of the Temporary Protected Status (TPS) for Colombians residing in the United States.

The priority goal of Colombia's foreign policy is to strengthen ties with Canada, with whom we have been building a tight relationship based on common interests, among which we highlight strengthening multilateralism as a tool to reach a fair and solidary international order, and the need to promote a hemispheric agenda in the area of the Summit of the Americas.

The Ministry of Foreign Affairs wishes to advance the common agenda with Canada on issues like intensifying the political dialogue, signing a bilateral trade agreement, and developing projects of cooperation in human rights and International Humanitarian Law and to tend to the population affected by violence. Likewise, we seek to encourage preservation and promotion of cultural diversity and an agenda of connectivity.

4. Europe

The European Union is – and should be more and more – a strategic ally for Colombia bilaterally, in the context of the Andean Community and in

the area of the Biregional Summit Between the European Union, Latin America and the Caribbean.

Colombia's foreign policy in Europe aims to enrich the political dialogue and deepen economic and commercial relations, trying to preserve, as much as possible, Andean preferences. Still, we try to attract European investments and promote the adoption of a migration policy that is more flexible for Colombians.

Starting with the Andean Community, Colombia has developed a solid relationship with the European Union, which should be strengthened with the signature of the Political Dialogue and Cooperation Agreement. This agreement will allow us to deepen themes of mutual interest, especially those related to defense and strengthening of democratic principles and institutions, governance, social justice, human rights, sustainable development, combating poverty, prevention and resolution of conflicts, and the integration of both regions. No less important are the improvement of commercial access to European market and combat terrorism and corruption, as well as the world problem of drugs and transnational organized crime.

We also work to solidify the European support to priority programs of Colombia's Government, such as those relative to alternative development of microcredit. At the same time, we try to strengthen cooperation on issues of human rights and solidarity of the countries of the European Union on humanitarian issues, particularly in regards to the phenomena of dislocation and attention to populations more affected by violence.

5. Asia and the Pacific region

Foreign policy in relation to Asia and the Pacific region intends to increase the spaces of political cooperation, promote economic and commercial interests of the country in those regions, attract sources of investment, and encourage new projects of assistance, especially scientific and technological.

The action of the Ministry tries to implement effective insertion of Colombia in the Pacific basin, maximizing the work of regional embassies and insisting on the effort of promoting and encouraging Colombia's participation in organizations of cooperation of the Pacific – Pacific Economic

Cooperation Council (Pecc), Pacific Basin Economic Council (Pbec), Forum for Dialogue and Cooperation between East Asia and Latin America (Focalae) – thus making possible the entrance of the country in the Asia-Pacific Economic Cooperation (Apec).

6. Africa and the Middle East

Colombia shares, along with many of the countries of this region, *inter alia*, the objective of building an international system that is more just and balanced. What unites us is not only the ties of solidarity, but the concerns inherent to the countries that suffer with internal conflicts and humanitarian problems that derive from them, in addition to the reflection around the social dilemmas inherent to developing countries.

Colombia's foreign policy actively promotes strengthening of political and economic relations and cooperation with Africa and the Middle East in the bilateral area and in international fora and organizations.

IV. Institutional strengthening of the ministry of foreign affairs

The development of foreign policy requires a more efficient management of the Ministry of Foreign Affairs, product of professionalization and modernization of the foreign service, and implementation of mechanisms of coordination, monitoring, and accountability of the diplomatic service. There have been advances in this process, whose priority is to give support to economic, commercial and financial management of the government, emphasizing development of abilities in the areas of international negotiation and the establishment of abilities in the areas of international negotiation and of efficient channels of communication among the missions abroad and the Ministry in Bogota.

Thus, in trying to make the work of Colombian embassies and diplomatic headquarters abroad more efficient and coherent with the policies of the government, we systematized the flow of information related to strategic themes for the government to the embassies to ensure a unified discourse. We

also systematized the flow from the embassies, of analytical information about the perception of the country abroad and other themes of interest to design foreign policy. As part of this proposal, the results of each headquarter is evaluated based on the annual plan of action they designed.

Parallel to this, the Ministry of Foreign Affairs is reinforcing inter-sectorial coordination in themes of the international agenda, strengthening its role as an executive entity of foreign policy.

On the other hand, we expect to consolidate the Diplomatic Academy as an organ of training for the foreign service and as a center of ideas that will contribute to design diagnostics and formulate strategies.

In the same manner, in the area of policies of austerity, we try to rationalize public expenditures, insisting on efficiency, economy and timeliness, based upon criteria of proportionality and priority of the national interest. For this, a few embassies and consulates were closed and there was progress in implementing regional embassies that will answer to the needs of foreign policy in specific geographic areas, such as the Caribbean.

Mechanisms of support, information, and monitoring

The effective coordination, information and monitoring of the planned goals are necessary to fulfill the objectives and establish priorities of foreign policy. With this in mind, the following actions are developed:

- *Information and communication media.* Information and monitoring of the international effort are done based upon a public diplomacy that will disseminate information, both in Colombia and abroad, about the policies of the government and of the different aspects of the complex national reality, through seminars, academic colloquia, and other activities that favor the necessary exchange between the government and civil society and inform public opinion about the development of Colombia's foreign policy.

In the embassies, in the consulates and in Colombia's missions abroad, the importance of information is highlighted. We transmit the radio program "Colombia in the World", and the journalistic coverage of the Ministry was improved by constant press releases, cultural releases, and communiqués. Also, periodic work meetings are held with the media to facilitate objective coverage

and true and opportune information of the themes related to the foreign policy of the country. Lastly, the webpage of the Ministry of Foreign Affairs in the Internet, <http://www.minrelext.gov.co/Noticias>, is updated daily with news about international management.

- *Support to businessmen and investors.* The Ministry of Foreign Affairs is committed to support Colombian businessmen and investors who try to open markets abroad and consolidate already existing commercial or investment relations. For this, the Ministry of Foreign Affairs is working, in conjunction with the Ministry of Commerce, Proexport and Convertir, to develop mechanisms that optimize the work of embassies and consulates in this area.
- *Interaction with embassies and diplomatic missions accredited in Colombia.* An adequate political management requires constant contact with the diplomatic community in the country, which led the Ministry of Foreign Affairs to permanently provide the embassies and consulates accredited in Colombia with information about strategic issues of the national government, and periodically hold work meetings that favor the analysis and comprehension of the national reality.
- *Cultural management.* Aware that cultural policy abroad is essential to improve the perception of the country internationally, we decided not only to facilitate the participation of Colombian artists and intellectuals living abroad in the cultural life of the country, but to improve the portrayal of Colombia's culture abroad – emphasizing what can contribute to promote Colombia's image – and stimulate the participation of the country in cultural and educational projects of regional and global impact. We also emphasize seeking new resources to implement cultural policies of the government and enrich and divulge our cultural diversity.
- *Dialogue with civil society and the academic community.* Participatory management in foreign policy demands a permanent and fruitful exchange about international management with the academic community and civil society. For this, we expand the spaces of discussion and analysis through seminars, colloquia, and publications. The Diplomatic Academy will be a fundamental part of this effort. ■■■

The Ecuador's foreign policy

Patricio Zuquilanda-Duque *



hat can be understood by foreign policy or international policy of a State?

According to Arturo Lecaro, International Policy “is the group of principles, norms, and actions carried out by a State through its diplomacy, to accomplish the permanent fundamental objectives within the context of its relations with other countries and international organizations.”

Miguel A. Vasco, in his “*Diccionario de Derecho Internacional Público*” states that Foreign Policy is “what the State develops to accomplish, in the international plan, its fundamental political objectives” whose determinations “are pertinent to the Chief of State, in close association to the Ministry of Foreign Affairs and similar organisms; and its implementation to the diplomatic agents accredited with governments with whom they maintain relations through diplomatic negotiation.”

Jorge W. Villacrés, in his work “*La política Económica Internacional de los Estados Hispanoamericanos*” expresses that Ecuador “since its creation ... has contributed and allocated its efforts to strengthen its fundamental basis of every movement that, inspired in the supreme ideals of solidarity and continental cooperation, tended to narrow cultural, legal, commercial and even political connections among the American Republics.”

We can say, then, that the distinctive elements of the concept of foreign policy are: firstly, basic norms or principles that regulate and orient the behavior

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of the State in this issue; the other substantial elements are the objectives and the purposes that the State itself proposes to achieve in a certain historical stage, and, for that reason, may be permanent or transient; a third component refers to the targets or subjects of international action, that is, the other countries, and, in general, the international organisms; and finally, an instrument or means to implement these policies or objectives taking into account these directive principles and the context in which this action is developed, which is, exactly, the Foreign Service.

Scope of action: fundamental principles and norms. Goals of foreign policy. The international context.

The legal framework and the basis of Ecuador's foreign policy are referred to in the principles of the Political Constitution of the State. From a strictly programmatic and conceptual point of view, they can be divided in two categories:

On the one hand, those traditional principles that emanate from the Interamerican Law and from the United Nations, through which peace and cooperation as a system of camaraderie and legal equality of the states are proclaimed; the condemnation of the use or threat of force as a means of solution of conflicts, not recognizing plundering of weaponry as a source of right. At the same time, it is those principles of the agreement, in which international law is defended as the norm of conduct of the states in their mutual relations and that, promoting the solution of controversies by legal and peaceful methods that foster the development of the international community, the stability and strengthening of their organisms, reject all forms of colonialism, of neocolonialism, of discrimination or segregation and recognizes the rights of peoples to self-determination and to self-liberation from oppressive systems.

On the other hand, there are norms and principles of action conceived and developed in the last three decades, related to the challenges that the country needs to face due to its social, economic, political, and security reality; namely: sustainable development, social justice, struggle against corruption, economic rights of the peoples, Human Rights, and economic integration, especially Andean and Latin-American, as fundamental propositions and key elements of international action of the Ecuadorian State, whose design and

definition, by mandate of the Magna Charter, is pertinent to the President of the Republic.

Without departing from these bright concepts that, throughout its republican history Ecuador has highlighted and put at the forefront of its international action, especially once the ancient territorial dispute with Peru is overcome, considers that, currently, these last principles are, in good measure, the conditioning and inductive elements of the external policies of the country.

In this regard, we observe that Ecuador, since its foundation in 1830, is a democratic and republican country, that always privileged the values of democracy and that the quest for its consolidation and perfection has been a constant in the life of the country.

If a factor in particular characterizes national history, it has been the progressive perfection of democratic institutionalism and the permanent quest for a national consensus around central values that confer it the same validity; respect for fundamental liberties, the need to consolidate rule of law and the search for a greater social participation within this democratic scope.

As every developing country, Ecuador went through critical moments in its history. However, even before the consolidation of democratic presidential successions, in 1779 the respect to fundamental liberties and to human rights was highly consistent in the country. There is a tradition of respect to human rights in Ecuador and a very low level of social conflicts that, compared to other countries in the continent, is verifiably low.

Ecuador had to face two considerable challenges in its history, with significant implications in the direction of its foreign policy: the country was practically born of a territorial dispute with its neighbors, that, throughout the 19th century and in a large part of the 20th century, represented a constant challenge to its security and demanded enormous resources from a reduced reserve of public funds.

The country has ahead approximately the same economic and social obstacles the majority of the Latin-American Nations do: excessive concentration of property and income, little social mobility, lack of connection to international commercial networks, low level of accumulation of capital and industrialization, problems of access to technology, scarce foreign investment and chronic foreign debt, among others.

The obstacles mentioned above acquired historic dimensions in the full sense of the word. A large part of the avatars of national life is explained as the struggle to overcome these obstacles. Along the way, there were fundamental advances, but there is still a lot of road ahead.

Ecuador is aware that internal obstacles are, in good part, the result of endogenous factors, which Ecuadorian society recognizes and the State tries to respond to. But it also notices that there are important difficulties deriving from international situations, which escapes the will of the country, such as those referring to issues of security; to the structure of the economy; and to international trade.

Ecuadorian foreign policy's main challenge is to contribute to the solution of the external factors that affect the opportunities of internal, social, and economic development of the country.

To understand the international challenges of Ecuador, it is necessary to have a foreign policy that mirrors the internal principals of the country and covers its foreign needs.

Human rights

Ecuador's Foreign policy in relation to human rights reflected the commitment of the Ecuadorian State with the promotion and protection of the fundamental guarantees of the person and the collective rights of vulnerable groups in the country, strengthening international law, human rights and its institutions in a universal scale.

Protection of human rights in our country is based upon the Constitution of the Republic, whose article 3.2 says that it is a primordial duty of the State to "ensure the validity of the human rights, the fundamental liberties of women and men, and social security." This basic principle is complemented with article 16 of the Fundamental Charter, which stipulates that the "highest duty of the State consists in respecting and enforcing the respect the human rights that this Constitution guarantees."

Ecuador underwrote the 1948 Universal Declaration and is party to the seven main international agreements on human rights of the United Nations. In the end of 2000, Ecuador became the first country in Latin America to

underwrite every international treaty on human rights that has been adopted within the UN and in the Organization of the American State. These instruments have the force of law in the country and may be evoked in national courts. Article 18 of the Fundamental Law notes that “the rights and guarantees determined in this Constitution and in the international instruments in place will be directly and immediately applicable by and before any judge, court or authority.”

In the 80s, the former Ecuadorian president Jaime Roldós Aguilera proposed a principle that became a doctrine of universal acceptance: international supervision of the protection of human rights in each country is not opposed to the principle of non-intervention in internal affairs of the States. Faithful to this principle, Ecuador officially notified its subjection to watch groups of human rights agreements, and extended an open and permanent invitation to the specialized mechanisms of the UN Human Rights Committee, and always complied and complies with its obligations to the Committee and to the Interamerican Court of Human Rights.

In addition to subscribing to international law of human rights, Ecuador's foreign policy promotes active participation of the country in international fora and specialized organisms of human rights. Ecuador was a member of the Human Rights Committee several times, and Ecuadorian experts such as Ambassadors Luis Valencia Rodríguez, Julio Prado Vallejo, Jaime Marchán Romero and Dr. Hernán Salgado were part of specialized international and interamerican organisms. Among the Ecuadorians connected to international institutions to promote human rights, it is pertinent to highlight particularly former Foreign Affairs Minister José Ayala Lasso, who became the first High Commissioner for Human Rights in the UN in 1994.

Ecuador's foreign policy generated positive advances in relation to human rights in the country. The country's international action made the Ecuadorian State promote, as a corollary of this international action, the advancement of legislation and internal institutions of protection of such rights. The high point of this beneficial connection was the adoption of the National Plan of Human Rights as a State policy in June 1998.

For the application of a recommendation of the International Conference on Human Rights of Vienna (1993), and after a wide process of consultations and debate promoted by the Ministry of Foreign Affairs, with the participation

of government and civil society, the President of the Republic adopted the aforementioned National Plan by an executive measure. Currently the National Plan is in its fifth year and grants support to a growing activity around programs and projects that contemplate distinct aspects of human rights.

In the sub-regional scope, Ecuador also tried to contribute to the extension and enrichment of the international law of rights. Five Presidents of Andean Countries in the city of Guayaquil underwrote the Andean Human Rights Charter on July 26, 2002, at the II Summit of South American Presidents. The Andean Charter was prepared at the initiative of the Government and of the Foreign Ministry of Ecuador was triggered, turning it into reality as the fruit of coordination among Andean Governments and Ministries of Foreign Affairs through a process with participants representing civil society and organizations defending human rights of the five Andean countries.

With the adoption of the Andean Human Rights, the common policy of the Andean Community of Nations was incorporated to an innovative instrument that encompasses the so-called latest generation of human rights. The Andean Charter was conceived starting from the specific perspective of the Andean reality becoming an original contribution to the development of international law of human rights.

The Andean Charter establishes priorities for the Andean Community in relation to human rights, such as the rights of indigenous peoples and of the communities of Afro-Descendants, economic, social and cultural rights, and the human rights of vulnerable groups, who demand special social and legal guarantees: children, women, migrants, physically handicapped, senior citizens, inadapted, refugees, sexual minorities, persons deprived of liberties, among others.

Even in the cases referring to a more ample sphere than that of human rights, it is important to remember, due to their repercussions in the matter, that in 2002 Ecuador ratified the Rome Statute of the International Criminal Court in July 1998.

Ecuador considers that the validity of the Rome Statute of the International Criminal Court, is one of the greatest advances of the international community following the adoption of the Universal Declaration of Human Rights. One of the fundamental objectives of Ecuadorian foreign policy in the multilateral scope is to foster greater international cooperation

with the Criminal Court, thus supporting a the materialization of the principle of universal jurisdiction, established in the Rome Statute.

National security and foreign policy

Historic circumstances determined that, once the century-old conflict with Peru was solved, after the signature of the Agreement of Brasilia in 1998, Ecuador would face, almost immediately, an unprecedented threat derived from the deterioration of Colombia's internal conflict.

The internal conflict in Colombia is, thus, a significant factor that threatens the country's security, understood in its most complete notion: military, police, economic, and social security.

At the end of the 90s, southeastern Colombia had become an area of civil conflict, with a growing local rural population dislocated for war and for the fumigation of thousands of hectares of illegal plantations. The so-called Plan Colombia attempted to neutralize two factors of instability in the neighboring country: guerrilla insurgence and paramilitary violence; cultivation and traffic of drugs. Independently of its results within Colombia, who Ecuador is not in a position to judge, our country had to face very concrete challenges within its frontiers, as a consequence of the aforementioned plan:

- Increment of the flow of people and families sheltered by the statute of the refugees (more than 14 thousand people until the present date);
- Increment of the flow of Colombian citizens who migrate irregularly to Ecuador (it is estimated that approximately 100 thousand people do not have their documentation in order; in addition, approximately 150 thousand Colombians reside legally in the country);
- Increment of Colombian migration, especially in the Ecuadorian provinces bordering Colombia, represents significant challenges in security and rendering of public services for the Ecuadorian State (that already has serious budgetary difficulties to meet the needs of its own population);
- Military activities and conflicts verified in Colombia demanded a strengthening of Ecuadorian military presence at the border.

Although the Colombian conflict is carried out in another country's territory, over which Ecuador, naturally, has no control or even jurisdiction, and although the Ecuadorian State cannot intervene in an internal crisis according to international public law, Ecuador had to take measures in its territory to prevent any breach in its security.

Ecuador sent more than seven thousand military and a thousand two hundred policemen to the provinces bordering Colombia. This military effort implies in the mobilization of an important part of the military personnel and of the national police force, with a considerable expense of mobilization and operation. In addition to this, such concentration of police forces reduces the presence of the police in other points of the country, reducing the security for citizens in the national territory in general.

The weight on the national budget, the problems of security, the demand for public services and, in general, the efforts of the Ecuadorian State are significant as a result of the indirect effects of the Colombian crisis.

Ecuadorian foreign policy, before the Colombian conflict, is the same of any country's when dealing with an internal problem of another nation. Ecuador, faithful to the principals of international law, cannot, and it is not its place to, intervene in any internal conflict.

Actually, non-interference in Colombia's internal affairs does not prevent Ecuador to collaborate in international efforts to combat illegal traffic of drugs connected to that country. Narcotrafficking is a marginal activity, and once international narcotrafficking networks operate in an international scale, Ecuador decisively collaborates with the police and legal fight against this curse. The international conventions and the agreements of police and legal collaboration, along with other countries demand Ecuadorian participation in the effort.

It is Ecuador's desire that the Colombian conflict be resolved within the scope of the law of that country and supports every international effort done to support the pacification of Colombia.

Ecuador desires, still, that the international community offers support to face the indirect effects generated by the Colombian conflict in its territory. In this regard, it collaborates closely with Unhcr in the issue of attendance to the refugees of Colombian origin and aspires that international cooperation

help resolve the serious economic impact that the provinces of the north, bordering Colombia, suffer.

Ecuador aspires to remain unscathed before the maladies of violence and organized crime. Sustaining the social network, which holds together its development and generates favorable conditions for fruitful and creative work, is security, personal security, security in its different manifestations, starting by the one that grants trust and guarantees, mainly for the development of economic, productive, and intellectual activities; preserve the integrity of the people and of their possessions; guarantee the imperative of the law; the access, by every citizen, to an efficient and opportune justice and the right to due process.

Security in the hemispheric realm

In this context, after great changes in the world with the end of the problem of the Cold War, and according to what Ecuador expressed at the Special Conference on Security held in Mexico, the historic context is radically different in the current days.

Our America needs to update its challenges, redefine concepts, objectives, and priorities of what “Hemispheric Security” means.

There is the need to identify and determine the mechanisms of collective cooperation, in such a way that they cover, with balance, the interests demanded by the peoples and the concerns of the States, bearing in mind the political, economic, social, health and environmental aspects, in addition to concerns of merely defensive or military nature.

In this realm, where we are still immersed in the process of reflection and analysis, it is recognized and granted the issue of security, starting now, a multidimensional scope, but when it is better defined, better structured, it will constitute the main axis of modern American international law.

In this regard, we believe that a multidimensional approach to security – innovative, non conventional, based upon the complete respect to international law and in promoting and observing human rights, as well as the norms and principles of the Charter of the OAS and the Charter of the United Nations, that answer to the historic and social principles and concepts that the hemisphere professes.

An example that illustrates this agenda in all its dimension is the phenomenon of the deterioration of the environment, a problem that, like none other, is multifaceted because it transcends borders, the lines of conventional limits that separate countries, to become what it really represents: a globalized threat.

This is why, in its foreign policy, Ecuador understands that this phenomenon, along with terrorism, organized transnational delinquency, narcotrafficking, corruption, natural disasters, human drama of extreme poverty, sickness and social exclusion, constitute vulnerabilities and serious challenges for collective security, are serious and unacceptable curse against humanity.

Ecuador presented a proposal for the Declaration of Mexico to dedicate a special paragraph to the Economic Security of the States, in the context of Article 37 of the Charter of the Organization of American States. In the same way, it contributed enthusiastically to the adoption of paragraphs about the removal of landmines, the non-proliferation of nuclear weapons, the legal-institutional connection of the Interamerican Defense Council as a technical advising body of military, non-operational nature of the OAS and support to mutual assistance in the case of natural disasters. It still presented a proposal about the access and right that our peoples should have to a healthy and free of contamination environment, in agreement with the Political Constitution of Ecuador.

The reform of the organization of the UN

Ecuador is one of the founding countries of the UN, and, as such, assumes the fundamental principles that guide the Organization and the international behavior of its member-states. As a member of the OAS, Ecuador also postulates the principles of this organization in a regional scale.

The cooperation with other developing countries in international fora is materialized also by belonging to the Non Aligned Movement and to the Group of the 77.

Ecuador considers that the system of collective security in a planetary scale, did not lose its validity, but certainly conceives the need for an institutional reform to update the Organization of the United Nations in relation to new international demands. Not only the Security Council, but the General

Assembly and the Ecosoc, among other organs of the system, need to adjust their structure and political procedures to the new times.

Equal geographic representation, greater transparency in the proceedings, efficiency of its decisions and procedures a firmer and more efficient action of the UN to solve problems of developing countries, that is, of the majority of Humanity, are facets that, in a UN reform, cannot be left aside nor be partially addressed if the desire to give the Organization a representative and effective voice in the new millennium is real.

Ecuador supports the objectives of the Millennium Declaration, in its political and security goals as well as those related to human development. Only an Organization able to reform its institutional structure according to the demands of the new times will be able to play its part in boosting, multilaterally, the praiseworthy objectives of the Millennium Declaration.

Financial crisis. Emigration. Struggle against corruption.

In 1999 Ecuador suffered one of the most serious economic crisis in its history, as a result of a group of factors that converged to a sudden race to bank deposits. A fact that, in turn, generated lack of liquidity, and in some cases, bankruptcy of several financial institutions with consequent loss for the State – that through the Central Bank had granted last instance credit – as well as for depositors in general.

Added to the financial unbalance, there was the fall of revenue from petroleum, the increase of expenses due to political pressures and additional expenses to purchase weapons and to face the phenomenon of *El Niño* – all this generating extremely high interest rates and enormous suspicion of the economy. The high rates deteriorated the situation of the debtors who were not able to meet their obligations with the banks; the impact on the infrastructure, provoked by *El Niño*; the fall of exports due to a fall in international prices and a contraction of the markets, all this produced a liquidation of capital; the excessive generalized debt of the business sector, a hyperinflation higher than 500% and, finally, the freezing of deposits.

The implications of this crisis were devastating for the national economy, for the productive chain and for society, especially for its most vulnerable

segment. As a consequence of the closing of businesses, thousands of jobs were lost, there was no liquidity, recession, hyperinflation, and strong devaluing of currency. With the adoption of the American dollar in 2000, a new economic scenery was configured, with the reduction of inflation and the increment of public investment.

In the current scenario, the government proposes to support a production reactivation, by maintaining dollarization, a responsible management of the economy and public finance and the continuous improvement of competitiveness.

Due to the enormous number of Ecuadorians who left their country and dedicated themselves to finding the means for their subsistence and that of their family members abroad (about 2 million in the last 2 years), the consequences for the social aspects continue to be of concern.

Through foreign policy, the Ecuadorian state seeks the protection of the migrant, tries to legitimize their stay in the countries of destination, with the objective that they may exercise their rights of resident citizen, with the faculties and obligations predicted in the laws of each country; orients as to obtaining a job and protects the exercise and the compliance of human rights.

In this aspect the policy of the State is directed to protecting the family of the migrant, through an effort of social assistance and economic counseling; an articulation of actions that tend to attain a balanced economic and social development and improvement of physical, economic and social conditions of the sectors with greater impact in the migratory waves of the country.

Due to the established strategies, several instruments were underwritten, one of them, with Spain, relating to the regulation and ordering of migratory flows; and two others, with the International Organization for Migration, destined to provide technical assistance and take care of the functioning of the Migrant Screening Unit in the scope of the Agreements for Migratory Flows, respectively.

It is a known fact that, with the advent of the financial crisis, a group of bankers deceived public faith and openly harmed both the State and the depositors alike, in circumstances that the former had come to the rescue of financial institutions, devoting enormous resources and putting at risk its own institutional basis, its seriousness, and financial stability of the country.

Due to these precedents and interpreting the feeling of the Ecuadorian people, it is especially important, one of the dearest postulates and objectives

of the National Government, to use every expedient and legal means available, both in the internal and international levels to guarantee, firstly, that the resources belonging to society be recuperated and put at the service of its development and well-being and, secondly, that the ones responsible for its improper appropriation be available to the pertinent judges to receive a just and exemplary punishment, in an act of long expected justice.

In this group of considerations and for personal convictions, the President of the Republic, Engineer Lucio Gutiérrez, interpreting the feelings of the Ecuadorian people and faithful to his campaign promises, decided that the central theme to be developed in the next 34th General Assembly of the Organization of the American States, in 2004, in the city of Quito be: “The hemispheric struggle against corruption.”

This is to decisively contribute for the creation, development and consolidation of a new, but efficient and considerate interamerican focus in combating and eliminating this undesirable phenomenon that represents one of the main causes – maybe the main cause – of the calamity and hindrance in the social and political structures of the continent.

International cooperation

In the international scope, Ecuadorian foreign policy has a very precise focus and inspiration: Ecuador is a party to international cooperation, both in the collective security system and as a tool for economic and social development of the peoples.

Ecuador's insertion in the global economy

Article 4 of the Constitution lists the principles that govern the relation between Ecuador and the International Community, and, in this aspect, in item 3, it states that International Law is the norm of conduct of the States in their reciprocal relations, while item 5 of the same article defends integration, especially Andean and Latin American integrations.

Article 171 of the Magna Carta defines the attributions and duties of the President of the Republic. Item 12 grants the Chief of State the power to

define Foreign Policy, direct international relations, celebrate and ratify international treaties and agreements, after approval by the National Congress, when the Constitution so defines.

Finally, article 163 of the Constitution establishes the norms contained in the international treaties and agreements, once approved in the Official Gazette, will become part of the legal framework of the Republic and will prevail over laws and norms of lower hierarchy.

Articles 2 and 3 of the Charter list the purposes and principles that govern this organization. They are: to promote economic, social and cultural development through cooperative action. It enunciates that international law is the norm of conduct of the States in reciprocal relations, and that economic cooperation is essential for the well-being and prosperity common to the peoples of the continent.

Ecuador, in harmony with the decisions adopted in the 14th Meeting of the Andean Presidential Council, backs and aligns a strategic vision in the preservation of the common patrimony built in these 35 years of Andean integration to advance to a second generation of policies.

The Cartagena Agreement

The Cartagena Agreement is the basic and fundamental norm of Andean integration that confers the Andean community the legal international status as a sub-regional organization. It was underwritten on May 26, 1969 by Bolivia, Colombia, Chile, Ecuador and Peru. In 1973, Venezuela joined the process, and in 1976, Chile removed itself from it.

In its preamble, it states that integration constitutes a historical, political, economic, social, and cultural mandate for their countries, in order to preserve their sovereignty and independence.

Article 16 of the Agreement establishes that it is the responsibility of the Andean Council of Ministers of Foreign Affairs formed by the Ministers of Foreign Affairs of the Member Countries of the Cartagena Agreement, among others, to formulate foreign policy of the Member States on matters of sub-regional interest, as well as to orient and coordinate the external efforts of the different bodies and institutions of the Andean Integration System.

On the other hand, Article 22 establishes that, among others, it the responsibility of the Andean Community Commission, comprised of a plenipotentiary representative from each Member Country's government, currently by the Ministers of Foreign Trade, to formulate and evaluate Andean sub-regional integration policy in the area of trade and investment and, when appropriate, in coordination with the Andean Council of Foreign Ministers.

In another scope, by the 1980 Treaty of Montevideo, the Contracting Parties agreed to pursue the process of integration leading to promote harmonious and balanced socio-economic integration of the region, and to that effect, instituted the Latin-American Integration Association (Aladi), with its headquarters in the city of Montevideo. The signatories of the Treaty of Montevideo are Argentina, Bolivia, Brazil, Colombia, Chile, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

When they underwrote the Treaty, the countries considered that regional economic integration one of the main means for Latin American countries to be able to guarantee a better level of life for their peoples. This process will have as a long-term objective, the establishment, in a gradual and progressive manner, of a Latin-American common market.

The goal of the Foreign Policy of Ecuador, regarding integration, cannot be any other but those listed, firstly in a general manner by the Political Constitution of the State in its articles 4 and 5, as they state that Ecuador in its relations with the international community struggles for integration, especially Andean and Latin-American; and that Ecuador may form associations with one or more states to promote the defence of its national and community interests.

Secondly, and because of the remission that the Constitution makes to the international treaties signed by Ecuador in relation to integration, is the Cartagena Agreement, that says, in its Article 1, that one of its objectives is to promote the balanced and harmonious development of the Member Countries under equitable conditions, through integration and economic and social cooperation; to accelerate their growth and the rate of creation of employment; and to facilitate their participation in the regional integration process, looking ahead toward the gradual formation of a Latin American Common Market.

The Agreement also seeks to reduce external vulnerability and to improve the positioning of the Member Countries within the international economic context; to strengthen sub-regional solidarity, and to reduce existing differences

in levels of development among the Member Countries. These objectives are aimed at bringing about an enduring improvement in the standard of living of the sub-region's population.

Ecuador has been one of the greatest propellers of Andean integration from its start. These objectives have been permanent and, above all, seek to drive the foreign relationship of the Andean Community in the political and commercial aspect with Mercosur, the United States of America, Canada, the European Union, China, Russia, and Japan, among the most relevant. In the same way, along with its Andean partners, Ecuador tries to develop a Social Agenda with the approval of an Integrated Plan of Social Development and broaden the participation of civil society. Likewise, it has been a permanent champion of intra-sub-regional cooperation on issues of security and trust, combat illegal drugs and felonies connected to them, and of the broad theme of sustainable development, including the promotion and the defence of our biodiversity. On issues of community policy of integration and frontier development, Ecuador seeks the development of border integration zones and the creation of binational centers of public service at the borders. It also approved, along with its Andean partners, a Community Policy of Border Integration and Development, a general mark of the goals directed for the development of this theme.

Finally, one of its main objectives has been to push for the elaboration of directives that will allow to design a new Andean institutionality taking into consideration that, in the future, it will be demanded from it and from the most developed processes of integration, that they be allowed to deal with the new challenges and themes of the Andean community project in sectors.

Ecuador became the President of the Andean Community on June 28, 2003, for the period of one year.

As it became the President of the Andean Community, Ecuador concentrated its efforts in the consolidation of the union of its members, with the goal that the Chiefs of State of the Andean countries would commit their political support destined again to potentialize the Customs Union, to advance to a Common Market, to fulfil an Andean norm and for the insitutionality of the Andean System of Integration. All this to solve, in the short term, the objections that came up in these arenas.

This goal was based on the fact that the principal value that the Andean Community has is the formation of a block that grants force to its members

in negotiations with third parties. Ecuador also pushed for the inclusion of social themes as fundamental points that should be considered in Andean integration, and had not been prioritized in the past.

In the same way, when Ecuador proposed strategic directives – policies related to economic dimensions, the Andean common market, the relationship with third parties, the participation of civil society and Andean institutionality. In the economic dimension, Ecuador managed to unite the criteria of the member countries regarding the need to deepen, in the macroeconomic policies, the possibility that they contribute for exchange rate stability and for the possible broadening of an exchange rate safeguard, because these aspects bear upon the Andean commercial flux.

As for the theme of the Andean common market, the importance of consolidating a customs union, the current state of the external common tariffs and the mechanism of stabilization of process for the agricultural sector was highlighted. In this issue, it urged the member countries to adopt a Common Policy of Farming and Cattle-Raising in a near date.

In the relationship with third parties, the participation of Ecuador was crucial to demonstrate the need to conclude the negotiations between the Andean Community and Mercosur before December 31, 2003, to create an area of free trade between the two blocks, and thus, together face the challenges that the Ftaa represents to the relationship with the European Union, as well as to the possible negotiation in the political and commercial realm with the United States and Canada.

Andean countries will adopt, by Ecuador's request, the an Integrated Plan of Social Development for the participation of civil society that will allow not only to follow national policies to combat poverty, but also the insertion of marginalized sectors, such as indigenous populations and consumers.

As a corollary to the Ecuadorian position, the creation of the Andean Electoral Council and the consolidation of the Andean Tribunal of Justice were considered essential. It also insisted on the need that the member countries, even though this issue is still pending, elect the Andean parliamentarians directly, a process produced only in Venezuela and in Ecuador.

All these objectives are the same persecuted by Ecuador in relation to the integration of Latin America when it signed the 1980 Treaty of Montevideo,

and are the same that it promotes when it negotiates, along with other Andean countries or individually, commercial or political agreements with other processes of integration or countries considered individually, as in the current scenario, with special reference to the Free Trade Area of the Americas (Ftaa) and the Treaties of Free Trade with Mercosur, the United States of America and the European Communities, the latter to be negotiated in the course of the following months.

In the current historical moment, the proximity of bilateral negotiations for an eventual signature of the corresponding Treaties of Free Trade between Ecuador/United States, and Ecuador/European Union to deepen and institutionalize the commercial, economic and political relationship between the parties is noticed.

With this objective in mind, for the implications that these negotiations will have, not only in the commercial realm, but also in the context of the international economic relations of the country, Ecuador is preparing itself to adopt policies of ample reach to strengthen sectors of civil society such as the labor and academic sectors, to guarantee the coordination and the coordinated work of different national institutions, whose competence and areas of activities have direct relation with the themes involved in the negotiations.

To fulfill this high objective, it is necessary to rigorously define the interests and the national positions in the main themes and questions, in order to reconcile, in the most egalitarian way possible, the aspirations and needs of the different sectors of the economy, as well as others derived of the permanent objectives, namely fight against poverty, social justice, adequate protection of the environment, preservation of human rights and cultural, ecological and productive diversity.

Environment

Ecuadorian territory is considered one of those having the greatest biological diversity of the planet, and it is a basic obligation of the State to be inclined for its sustainable development and for the preservation of its environment. From this perspective, and in harmony with the postulates of the Plan of Action of Johannesburg – paragraph 44 fights for sustainable development in eradicating poverty. For these effects, Ecuador directs its

policies to guarantee sustainable management of its natural resources and of its biological diversity, as well as to avoid the current tendency to degrade it.

For these same considerations, it promotes actions directed to mitigate climatic changes that generate each time greater risks in the global level, as their adverse consequences, especially in the developing countries, and on their economies; it encourages policies and actions to prevent and fight against desertification, to mitigate the effects of drought, in conformity with paragraph 41 of the Plan of Action of Johannesburg.

To attain the aforementioned objectives, Ecuador proposes an active participation in international conventions on matters of the environment and sustainable development; in particular the Convention of Biological Diversity, the United Nations Framework Convention on Climate Change, the Convention of the Fights against Desertification and Drought, the cites convention about commerce and trade of endangered species, and the Ramsar Convention (Irã) about the wetlands of national importance, among several other multilateral accords to which Ecuador is a signatory.

It also proposes to establish synergies with national institutions connected to sustainable development and the environment, as well as with organisms of civil society to use experiences and knowledge as subsidies for its participation in international meetings.

It also defends the creation of mechanisms to correct common positions in relation to international conventions regarding sustainable development and the environment with other nations and groups of countries, especially in the scope of the Andean Community of Nations, in the Group of Like-Minded Megadiverse Countries, in the region of Latin America and the Caribbean, and in the scope of the Group of the 77 plus China; and the mechanisms for the formation of Ecuadorian negotiators in the context of international conventions about sustainable development.

Seeking to bring the application of the referred strategies to fruition, Ecuador, in the orbit of the Convention of Biological Diversity, leads the preparation of national positions for its participation in the Convention of Biological Diversity, and, specifically, the meeting of the Subsidiary Body on Scientific, Technical and Technological Advice, Sbstdta, as well as the Conference of the Parties (COP7) of this Convention (Kuala Lumpur, February 9-20, 2004), in the main themes, such as ecosystems of the

mountains, protected areas and technological transfer and technological cooperation.

In what regards the theme of Protected Areas, that will be the central point of the Conference of the Parties, Ecuador is detailing a strategy about the basis of the conclusions arrived at during the "National Congress about Protected Areas" organized by the Ministry of the Environment.

Along with the National Committee on Climate, the Ministry of Foreign Affairs will coordinate the application of the results of the Ninth Conference of the Parties of the Convention of Climate Change that was recently held in Milan, Italy, and that had high transcendence to implement the Kyoto Protocol, and important themes for developing countries, such as diminishing the effects of climate change; adaptation to climate change; national communications; training; technology transfer; special fund for climate change; mechanism of clean development, among others.

In the same order of ideas, Ecuador supports the continuation of the Project "Climate Change", ECU/99/G31; updating the National Inventory of Gases from the Greenhouse Effect, and the promotion of measures to adapt to climatic change, consolidation of the work of the National Committee on Climate, and encourage energy policies, as well as the use of the land (agricultural and forestry) that contribute to the reduction of gas emission of greenhouse effect.

In general terms, as thematic veins of foreign policy in matters of sustainable development and environment, the theme of water and its integrated management, protected areas, forests, sustainable development of the mountains, access to genetic resources and a fair distribution of benefits, biosecurity, among several other matters are highlighted. Among the most relevant themes, deserving priority attention for the Ecuadorian state and for the Ministry of Foreign Affairs, is the conservation of the National Park and the Marine Reservation of the Galapagos.

In this article, I listed the areas that have the greatest significance and priority for the foreign policy of the country. In relation to them, I tried to show the main directives of the foreign policy of Ecuador.

This paper shows the multiple connections existing between the international action of the country and its day-to-day life; between foreign

policy and internal policies in chapters such as the one on security, human development, protection of the environment, and human rights, among others.

The inter-relation cited, makes very clear the concept that the Ecuadorian State has about foreign policy: an additional tool of its general activity to promote social and economic development of the country. This is why it constitutes a primordial instrument, once it establishes and maintain contact between the country and the community of nations, marked by the dynamics of globalization; because foreign policy reaffirms the presence of the country in international life, narrowing, at the same time, the links of cooperation among peoples; and, finally, because foreign policy offers an opportunity that the State and the Ecuadorian people contribute to the construction of a more fraternal and harmonious world. ■■■

The Guyana's foreign policy: Responses to a changing world environment

Samuel Rudolph Insannally *



At the outset, it may be useful to list the principal objectives of the nation's foreign policy. Briefly stated, they are the following:

- (a) the preservation of the sovereignty, territorial integrity, and independence of Guyana;
- (b) the promotion of the economic and social development of Guyana;
- (c) the promotion of closer relations with Guyana's diaspora;
- (d) the maintenance of friendly relations with the nations of the world;
- (e) ensuring that Guyana's interests are made known and promoted in the international community; and
- (f) the promotion of the purposes and principles of the United Nations Charter.

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The post-colonial years

Ever since the country's independence in 1966, these goals have informed policy and decision making in foreign affairs. They have thus remained constant and firm, adapting as necessary strategy and diplomacy to new circumstances and challenges. The principal concerns have been with security and economic development – ends that are essential to the nation's survival and prosperity. At the same time, the country has sought to play, notwithstanding its limitations of size and resources, an active and influential role in international affairs. This role has served the country well since it has brought it not only prestige and respect but also, very importantly, valuable support for its major foreign policy aims.

Like so many other countries that were born out of a colonial past, Guyana was quickly caught up in the struggle with anti-imperialism and anti-racialism. At the United Nations which it hastened to join after gaining its independence in 1966, it became an ardent advocate for the self-determination of peoples, the promotion of global peace and stability and the achievement of a new and more equitable international economic order. To escape the political constraints of the Cold War, a commitment was made to non-alignment in the belief that this would provide it with greater autonomy in foreign policy making. Similarly, it opted for membership of the G77 to make common cause with other developing countries in the search for greater economic and social advancement. Whatever the forum, Guyana often found itself in leadership positions which it utilised to make the international environment more responsive to its needs and concerns.

Although ambitious and enterprising, Guyana's foreign policy options were circumscribed by a persistent border controversy with Venezuela, its western neighbour. The latter, having accepted the actual territorial boundaries for more than sixty years, suddenly laid claim to almost five-eighths of Guyana's territory. Starting with its occupation of the Guyanese part of Ankoko Island, Venezuela proceeded to instigate a rebellion in the Rupununi region and to annex maritime areas in the Essequibo. It also effectively denied Guyana's participation in several important hemispheric bodies and used economic coercion to frustrate Guyana's development of the territory under claim. Not surprisingly, this controversy, together with a dispute on the Suriname side, has seriously prejudiced the country's prospects for stability and development.

Guyana is determined, however, to find peaceful solutions to the problems as prescribed by the United Nations Charter (Art. 33).

In the absence of any significant military capability to resist aggression, Guyana must rely on diplomatic and moral persuasion to protect its sovereignty and territorial integrity. Accordingly, as a matter of policy, it has sought to win sympathy and support for its position by cultivating good relations with all friendly and peace-loving states and by insisting on full respect for international law and the principles and purposes of the United Nations. At the bilateral level, it has always subscribed to dialogue with both Venezuela and Suriname in the interest of maintaining good neighbourly relations. It has also promoted economic and technical cooperation as a means of transcending immediate difficulties and of reaching a higher level of peaceful co-existence and collaboration. At the multilateral level, Guyana has mounted a diplomatic offensive to reject Venezuela's attempt at aggrandizement. Although relations with both Suriname and Venezuela are fairly cordial the underlying problems remain, always testing Guyana's diplomatic skills and resources.

The Post-Cold War Period

The changes which occurred in the world at the end of the Cold War caused a major reorientation of foreign policies in countries everywhere. Gone was the "stability" provided by the balance of the ideological forces between East and West and with it, the strategic position which developing countries had long enjoyed, playing off one titan against the other and securing for themselves political and economic advantages from both. Suddenly, with global détente, comfortable old policies such as neutrality and non-alignment were shaken to their foundations as states were forced to adapt to a new world order.

A triumphant West has now combined with a defeated East to form a dominant North, much more capable of exercising political and economic control over a weakened South. No longer can developing countries such as Guyana rely on autonomy of action since the strategic ground which they had successfully held during the Cold War was suddenly removed from under their feet. The new concentration of political ideology, economic policy and military might have little tolerance for deviants, demanding instead full and unwavering compliance. Most developing countries, particularly small and vulnerable states

have no other option than to accept and follow the neo-liberal principles of the free-market, popularly known as the Washington Consensus. The age of globalization has arrived, defying all states to liberalise or perish. Guyana's foreign policy must perforce take account of these developments and to reorient itself to find a place in the global economy.

The new challenges to peace and development

Experience has since shown that while the winds of globalization have speeded more developed economies to havens of greater prosperity, they have left weak economies, such as those in the Caribbean, with further stagnation. As studies undertaken by the Commonwealth Secretariat and the World Bank have concluded, Caribbean countries continue to be prey to hazards such as natural disasters, fluctuating export prices, income volatility, weak infrastructures and limited productivity. The HIV/Aids pandemic also takes a heavy toll on those countries' human and financial resources. Added to these disadvantages are the new threats to security, stemming from arms and drugs trafficking and fomenting transnational crime. Small countries like ours are ill-equipped to deal with such sophisticated aggression and can hardly avoid the dangers which it poses to their societies. A top priority is therefore the strengthening of our law enforcement capacity and the legal system as a whole to protect the society from these scourges. Security – in its broadest term – has thus become a paramount concern on the foreign policy agenda.

Also of clear impact on the country's capacity for policy-making – both domestic and foreign – is its financial situation. As a designated beneficiary of the HIPC (Highly Indebted Poor Countries) initiative, Guyana has only recently reached the completion point in the process that would allow it to draw down on these resources. Increased ODA remains indispensable to national development until such time as adequate infrastructure can be put in place. Equally challenging is the attraction of investment which has become scarce and competitive. Moreover, Guyana's dependence on commodities for the bulk of its export earnings renders it highly vulnerable to vicissitudes in the global economy. The threat of such marginalization is compounded by the meteoric advance being made in the field of science and technology which is rapidly widening the gap between the developed and developing countries, between the industrialized North and the largely agrarian and under-developed South.

The cataclysm of september 11

As if the challenges to foreign policy were not enough already, this disaster further complicated the international scenario. In the words of the Economist magazine at the time, it not only indelibly altered the Manhattan skyline but also changed forever the nature of international relations among states. All countries, more especially the small, have been forcibly reminded of their vulnerability to unpredictable assaults on their security and of the need to respond condignly to these threats. As members of the United Nations family, Caribbean states have condemned international terrorism and sought collectively to mount defenses against any attacks on their integrity. These protective measures, however, have not been without significant financial costs to our economies, already tottering from the effects of September 11.

A strategy for survival

In the face of these difficulties, a small state like Guyana is forced to take stock of its situation and to devise a strategy for survival. Together with others in Caricom it has sought to rethink and retool both its domestic and foreign policies in order to better integrate into the global market economy. Over the past three years, the Council on Foreign and Community Relations of Caricom has attempted to formulate a new vision and strategy to inform the direction of the Community's external relations. In sum, the strategy contemplates enlarged regional cooperation to achieve common interests and concerns. Through increased consultation and coordination, Caricom hopes to minimize the deleterious impact of external forces and to maximize their diplomatic capability.

Central to this foreign policy is the creation of a Caribbean Single Market and Economy as an instrument to strengthen the region's competitiveness in the global economy. With the revised Treaty of Chaguaramas and its attendant protocols, it is expected that there will be a more harmonized process of economic liberalization, a greater convergence towards a modern regulatory framework and increased rationalization and strengthening of regional institutions to support the integration effort. This policy is expected to lead to enhanced competition, a redefinition of production and export complementarities and, ultimately, to a unified market.

As proud and independent countries, Caricom states would much rather rely on trade rather than on aid for development. However, it is the case that because of their relatively recent freedom from colonialism and the consequent constraints which they face, they are unfortunately still much too weak to contend with the major forces of globalization. For the small, vulnerable countries of the Caribbean, including Guyana, market access alone will not help to improve their export capability. Without assistance in the development of necessary infrastructure and other facilities, they cannot take advantage of globalization and trade liberalization. To benefit from any free trade area of the Americas, for example, Caricom countries must be provided with special and differential treatment for their exports and access to a Regional Development Fund similar to that which was devised by the EU to eliminate regional disparities and bring all member countries on to a fairly level playing field. These are therefore key goals in the negotiation of new partnership arrangements with the European Union (EU) and the World Trade Organization (WTO) post-Doha Round.

Yet another major foreign policy objective for Guyana and Caricom is the preservation of the environment for sustainable development. The region's eco-system is so fragile that unless it is insulated as much as possible from disasters, whether natural or man-made, it will be easily jeopardised. Caricom continues to be greatly concerned by the trans-shipment by some developed countries through the Caribbean Sea of hazardous nuclear waste. Such concerns have led the region to promote at the United Nations, in collaboration with other countries of the wider Caribbean, the concept of the Caribbean Sea as a Special Area in the context of sustainable development. Situated as it is also in the Amazonian Basin, Guyana has a special interest in the sustainable exploitation of our rich forest resources. In this context, it is fully supportive of the Latin American and Caribbean initiative which was endorsed at the World Summit on Sustainable Development held in Johannesburg, South Africa, August 26 to September 4, 2002.

In his inaugural address to the Conference of Caricom Heads of Government which was held in Georgetown in July 2002, President Jagdeo, as Chairman, enunciated several policy objectives which Guyana considers conducive to regional progress. Among these are: the formulation of a Common Agricultural Policy, the creation of a cooperative multilateral fisheries regime, a common approach to the problems of crime and insecurity in the

region, further democratization of member countries, the greater involvement of Civil Society in policy-making, a review and, as appropriate, the reform of existing regional institutions and, finally, the promotion of a larger Caribbean area of cooperation. In pursuit of this last mentioned objective and bearing in mind that the Caricom Secretariat is situated in Georgetown, Guyana has promulgated the "Gateway" concept which will allow it to serve as a political, economic and social bridge between the Caribbean and the countries of South America.

Guyana – A gateway between the Caribbean and South America

Guyana believes that the time has come to look beyond its immediate vicinity and its historic relations with the metropolises in the North to the vast political and economic space that lies not only to the South but also to the East and West. The rapid developments in its relations with its giant neighbour Brazil and in particular the northern states, have shown the promise of a rewarding partnership that with proper planning could offer Guyana enhanced political stability and increased economic benefit. With the opening of our interior region and the creation of new transportation routes, trade and economic opportunities will bloom.

Already Guyana's relations with Brazil have shown the promise of this concept. Since President Jagdeo's participation in the South American Summit, held two years ago in Brasilia, concrete steps have been taken to develop closer ties between our two countries. Besides a Partial Scope Trade Agreement which was negotiated last year there are several other projects in progress, particularly in the area of infrastructure, e.g. air and road links, which will enhance proximity and multiply opportunities for trade and economic cooperation. As part of the process of hemispheric integration, the Committee of the Initiative for the Integration of Regional Infrastructure in South America (Iirsa) has approved a Guyana/Brazil road link for funding by the Inter-American Development Bank and other sources.

In addition, a number of other enterprises could be launched which will contribute to this integration process, including the construction of an industrial estate at Lethem, close to the border with northern Brazil. Such a facility could become a Free Zone area allowing businesses from Guyana, Caricom and Brazil to "set up shop" at that frontier town. An incentive regime could

be then created to encourage joint ventures between Guyanese, Caricom and Brazilian businesses. These enterprises will undoubtedly see the benefits of establishing themselves in Lethem, in order to gain easier access to their respective markets. In this manner a more direct connection could be forged between Caricom, the Andean Pact and Mercosul countries, opening up new vistas for inter-regional commerce.

The importance of physical infrastructure to the creation of a closer and more dynamic relationship between Caricom and Latin American countries cannot be ignored. At the South Summit which was held in Havana in April 2000, Guyana and Brazil subscribed to a Declaration and Programme of Action aimed at promoting linkages between their economies. More recently, at the two South American Summits which were held respectively in Brasilia, Brazil and in Guayaquil, Ecuador, as well as at the Rio Group Summit held in Peru in May, Guyana recommitted itself to the high ideals of hemispheric integration and cooperation. It is now imperative that we seek to translate into reality some of the concrete proposals contained in those documents.

The "Gateway" to South America is not only a political consideration but also an economic necessity with the imminent establishment of the Free Trade Area of the Americas. Meaningful participation by Guyana in the new trade arrangement will only be assured if it is linked to the other hemispheric groupings. Without this linkage, Guyana's bargaining power may be insufficient to ensure the preservation of its interests and as a consequence, it may be marginalized from the benefits of wider association. It will therefore be desirable for us to strengthen not only our Caricom connection but also that with the Association of Caribbean States, the Andean Pact and Mercosul. The rationale for such a policy is not hard to find: for in the face of globalization, unless regionalism is strengthened, small states such as ours are likely to be washed away by the rising tides of competition.

It is not enough, however, to focus only on physical infrastructure for without cultural contact a Caricom-Latin America relationship will not fully prosper. One must therefore try to develop a sense of kinship among our peoples who, though geographically close to each other, have been kept apart by the forces of history, language and culture. The separate existence which has historically been the fate of the English-speaking countries of the Caribbean can now be altered through a conscious effort to break down these barriers.

The expansion of cultural and linguistic institutes throughout the region would certainly improve communication and promote interaction – both economic and social – among our countries. One concrete recommendation that could facilitate this process of integration would be to establish links between our Universities and other educational institutions within the region.

Relations with the wider world

Beyond Latin America and the Caribbean, Guyana looks to the furtherance of its cooperative relations with the United States and Canada in the western hemisphere; the United Kingdom and other member countries of the European Union; the Russian Federation, China, India, Japan and other states of Asia and the countries of Africa, a continent with which the Caribbean has had a strong affinity. For historical and geographical reasons, the ties with the United States, Canada and the United Kingdom have been especially close and continue to be important in both political and economic terms. Migration of Guyanese to these destinations has been an important factor in the development of a strong association between Governments and peoples. While these traditional relationships expand naturally, the Government is intent on diversifying its cooperation to include all countries that would wish to establish diplomatic links on the basis of friendship and mutual respect.

Guyana is also committed to extending its outreach to the diaspora. With so many of citizens resident abroad and often placed in key decision-making centres, the country has much to gain from whatever advocacy they can give to our foreign policy objectives. As a small country without adequate resources, either financial or human, to engage in a major lobbying exercise in the main target countries, we would do well to call on the patriotic spirit of such important constituencies to plead our cause before the political directorates in their adopted homelands. A strategy and programme have been developed to cultivate this hitherto underutilized asset.

The ideal of multilateralism

These bilateral engagements are reinforced by an overarching commitment to multilateralism. As a small state within the international

community, Guyana is persuaded of the virtue and value of multilateralism as a guiding principle in international relations. Indeed, the country owes its freedom and independence in great measure to the great decolonization campaign that was undertaken by the United Nations immediately after its creation. Not surprisingly, one of the first things Guyana did on attaining its independence was to become a member of the United Nations and to set up a mission in New York. Ever since then, it has worked with the international community to expand the agendas for peace and development.

In Guyana's view the organization not only serves as a shield with which to protect its newly won sovereignty but it also offers distinct possibilities for enhancing its economic and social development. The United Nations also provides a forum in which the country is able to relate on the basis of equality to other states and from which it can project its image and influence with ease and effectiveness. Guyana has in fact served on the UN's highest councils as President of the General Assembly and as a member of the Security Council, the International Court of Justice, Ecosoc, Undp and other ancillary bodies. In these various capacities it has played a leadership role out of all proportion to its limited size and resources and in its own way, helped build multilateralism.

Apart from its diplomatic presence in certain strategic locations, Guyana's external representation works largely within the United Nations framework and through its participation in relevant regional and sub-regional groupings and bodies such as the Caribbean Community (Caricom), the Commonwealth, Association of Small Island States (Aosis), Organization of Islamic Conference (OIC), the Non-Aligned Movement (NAM) and the G77. The argument that the latter two bodies have become anachronistic and irrelevant is not valid since they continue to offer a useful political umbrella to their membership and counterbalance other powerful interests. Their critics must be fearful of the potential of these groups since we hear no similar call for the abolition of Cold War creations such as Nato. Nevertheless, Guyana believes that both the NAM and the G77 should be reformed and reoriented to make them more efficient and effective. Adaptation, however, is altogether quite a different thing from abandonment.

Despite the United Nations' many shortcomings and set-backs, Guyana remains optimistic about the future of multilateralism. There can be no denying that since its creation in 1945, the world organization has made many significant contributions to the preservation and promotion of international peace and

cooperation. Most notably, it has succeeded in preventing a Third World War and catalysed economic and social progress in developing countries. Guyana is convinced that in today's globalized and interdependent world, there is no alternative to the United Nations if anarchy is to be avoided and international stability secured. Accordingly, we will continue to participate in the effort to reform and restructure the United Nations, the embodiment of multilateralism, to make it better able to deal with the altered circumstances of today.

In the area of peace and security, the common goals should be the development of the collective system which is envisaged in the United Nations Charter to deal with the threat or use of force in international relations. The Security Council which was conceived in the aftermath of World War II has proved incapable of adequately discharging the responsibilities allocated to it under Charter for the maintenance of international peace and security. To be effective, it must be made more open, dynamic and representative. Understandably, this has not been easy since power and vested interests do not yield easily. However, after some ten years of exploration, several useful options are on the table including expansion of the membership in both the permanent and non-permanent categories, restriction in the use of the veto and a periodic review of the composition and functions of the Council to ensure that it is adequate to prevailing needs. Guyana is prepared to support reform along these lines.

The thrust for reform should also penetrate the institutions within the international system that are concerned with economic and social development. There have been some improvements in the operation of functional agencies like Undp and Unicef, and with the series of Summit Conferences which have been held over the past ten years on critical issues, including children, women, social development, sustainable development, the environment, the millennium goals and the financing for development. There now exists a fair measure of international consensus on what needs to be done to maximize global economic and social progress. Unfortunately, however, decision-making on development remains largely outside of the United Nations – within the multilateral financial institutions where developing countries have little say in the process.

More immediately the principles and purposes of multilateralism can be best served by revitalizing the General Assembly, the most representative of all the United Nations organs. Thus far, the Assembly is a pale version of

what the founding members intended to be. With the virtual disappearance of big-power rivalry which had shackled it during the Cold War, the Assembly is now ready to perform more fully the role intended for it under the Charter. Even as it is and without waiting for major reform, the Assembly can have a greater say on peace, security and development issues. One has only to recall the way in which small Caricom states have been able to use it to push debates on such issues as South Africa and Haiti and ultimately influence the deliberations of the Security Council. A more pro-active General Assembly would certainly help to democratize and generally improve international relations.

In the final analysis, multilateralism's success depends on the full respect for the principle of the sovereign equality of states – a principle that was enshrined first in the Charter of the League of Nations and then in that of the United Nations. It may be recalled that the first example failed because of its inability to protect one of its members, Ethiopia, from aggression. The cry of anger uttered at the time by Ethiopia's ruler Haile Selassie can still be heard over these many years. "Outside the Kingdom of the Lord there is no nation which is greater than any other! God and history will remember your judgment". That judgment should indeed not be forgotten if we wish to ensure that the League's successor, the United Nations, does not suffer a similar fate. The international community should therefore do its utmost to safeguard the principles and purposes of the United Nations Charter which are the bedrock of multilateralism and which, for small states like Guyana, are their principal armour against threats to their peace, security and development.

Such is Guyana's commitment to internationalism that it has decided to actively promote the concept of the New Global Human Order. This was an idea of the late President Cheddi Jagan who saw the need for a more just and equitable international system that would provide the peace and security as well as the economic and social development that the peoples of the world so desperately need and want. Launched initially at the World Summit on Social Development in Copenhagen, Denmark, it has been embraced by a large number of countries, including Caricom, and enshrined in the declarations of bodies such as the Rio Group, the NAM and the G77. Yet another United Nations Resolution on the concept was recently adopted unanimously by the General Assembly with a co-sponsorship of some forty countries. With further work and support of the international community, the idea may yet become a reality.

Even though small and still economically weak, Guyana believes it can make an important contribution to the welfare of the international community. Ideas are not the special prerogative of large and powerful states; any country, irrespective of its size or situation, can exercise the power of ideas to influence global thinking for the general good. The most prized assets in the foreign policy-making of a small state like Guyana are the prestige and influence which it can command internationally. In this conviction, Guyana will continue to play a pro-active role in foreign affairs. ■■■

The foreign policy of the Republic of Paraguay

Leila Rachid *

To interpret the true significance of Paraguay's present foreign policy, one must first refer back to the country's history. Only then can one grasp the need for its foreign policy to be a creative, agile and dynamic form of action.

History, *vero testis temporum* (true witness of the times), is an inexhaustible source to which we must all have recourse in our endeavour to plan for a future with renewed benefit.

Historical background

In the wake of independence, throughout the 19th century and on into part of the 20th century, Paraguay was obliged to take part in various international conflicts that set the country back considerably. As a result, its foreign policy has focussed almost exclusively on defence of sovereignty and territorial integrity.

Paraguay was subjected to a dictatorial regime from 1954 to 1989 which imposed new period of isolationism on the nation. Curiously, democracy came to Paraguay in the same year the Berlin Wall was dismantled.

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Paraguayans felt that time had come for them once again to join in the mainstream of universal civilisation, in harmony with events unfolding in the region as a whole. While the world sought to overcome vestiges of the Cold War – without managing precisely to develop the new paradigms required – the citizens of our newly liberated nation have devoted a great deal of their efforts to recreating a Paraguay capable of coming to grips with the new challenges then emerging.

During this transition period, the foundations of institutional democracy were laid in the 1992 Constitution. Its precepts envisaged the possibility of the country being party to integration processes, provided that they “ensure the upholding of Human Rights, Peace and Justice besides Political, Economic, Social and Cultural Co-operation and Development.”

On the other hand, the domestic political vicissitudes that arose during the nineties forced the country to concentrate on defending its incipient institutional framework. As a result, much effort was expended obtaining support from friendly nations for the consolidation of Paraguayan democracy.

A Time for re-founding

The elections held on 27th April 2003 represented a major turning point in Paraguay’s political history. A presidential candidate, Nicanor Duarte Frutos, achieved an indisputable and undisputed electoral victory that won him not only the immediate backing of the international community but also full acceptance in domestic political circles.

The legitimacy of the current President of the Republic’s mandate, his firm commitment to promote transparent a public administration, and his capacity to forge political and institutional consensus are the prime features of the visiting card the new Paraguay now presents to the outside world.

The new government has succeeded in establishing agreements with the most representative sectors and leaders of Paraguayan society in order to muster the support required for its short and long-term plans. These have primarily been designed to stabilise the economy and pave the way for stronger economic growth. The Executive Branch has sealed a Political Agreement with the leaders of the country’s political parties and parliamentary leaderships to obtain support

for a series of bills on economic matters. An agreement has likewise been drawn up between the Government and the business community to garner support for the Tax Reform Bill in its passage through the National Congress.

In as little as four months the new government has made remarkable headway in stabilising the economy, clamping down on informal economic activities and fighting corruption. This has brought international and domestic recognition of its seriousness of purpose and capacity to achieve results. The efforts of the new government have enabled it to reduce the fiscal deficit from 3.5% at the end of 2002 to 1% by the end of 2003 and to rein back annual inflation from 15% to 9%. International reserves, which had sunk below US\$ 600 millions at the end of 2002, have been raised to US\$ 850 millions and the public debt burden has been lightened. These accomplishments have been accompanied by 2% growth in GDP mainly owing to a bumper harvest and increasing yields for soybeans, the country's main export product.

After 45 years, Paraguay has finally reached an agreement with the International Monetary Fund for a precautionary standby loan (US\$ 70 millions). This has immediately made it possible to raise two emergency loans from the World Bank and the Inter-American Development Bank (IDB) of US\$ 30 millions each to cover repayments of public debt falling due and to offset the social impact of the adjustment measures to be implemented to restore the country's economic stability.

The prospects for 2004 are bright. GDP growth is now estimated at 3% with a fiscal surplus, single-digit inflation, maintenance of international reserves and further reduction of the debt burden.

Also worthy of note is the reform of the Judiciary on which the new government has embarked. It will serve to strengthen the democracy that has taken root in the country and to enhance Paraguay's standing in the international community.

The recent renewal of justices in the Supreme Court of Justice, the top-ranking institution in the Judiciary, according to criteria agreed upon between the Executive and Legislative Branches of Power, has ensured that the changes made pursuant to the provisions of the Republic's Magna Carta will have a positive effect on our foreign policy.

Indeed, it is universally acknowledged that a reliable judiciary is a vital ingredient of credibility for a country seeking to project an image of seriousness of purpose and commitment to its international obligations. Only then can foreign investments be attracted and Paraguay strengthen its position in international negotiations.

Another noteworthy development is the emphasis the President has placed on the drive to increase the level of formal business activities in the domestic economy, to bring commerce within the framework of the law and to tackle corruption in all its forms.

“Organized crime will be punished and dismantled. The Mafia will no longer find harbour in Paraguay. We will systematically combat contraband, smuggling and drug trafficking, no matter who may be involved in them and growing rich by these illicit activities that impoverish our public coffers,” stated the President in his inauguration speech.

“Our Government seeks to be a landmark, a time to re-found the Republic of Paraguay, a time to restore what is most sacred and genuine in our people: their faith in God and their unshakeable trust in free will to determine their own destiny.”

Duarte Frutos’ inauguration as President marks both the end of Paraguay’s long transition to democracy and the consolidation of its political institutions.

In tune with the many domestic transformations the present administration has introduced, the Republic of Paraguay’s foreign policy is also undergoing a series of changes and adaptations designed to equip it to rise to numerous challenges for the future.

In a globalized world comprised by post-modern societies we are thus seeking to promote a proactive foreign policy which strives to create opportunities that will afford the country advantages and benefits. This policy must equally be in step with international events and provide a ready national response to them.

In other words, our foreign policy is set to pose a constant challenge to Paraguayan diplomacy.

The new foreign policy

We believe Paraguay’s integration into the international mainstream is not only necessary but inexorable.

The complexity of the current international system, the consequent broadening of the international agenda, the emergence of a set of non-traditional actors in international relations and the growing interdependence of the various interests and agents comprising it have significantly transformed the international community. Such changes have not gone unnoticed by the Republic of Paraguay, neither has the country remained aloof to them. The challenge for the present administration is to seek a new mode of insertion for Paraguay in the international context based on transparency, efficiency and social responsibility.

To our mind, the objectives of our foreign policy should not be narrowed to a single approach. Rather they should fan out across a broad range of possibilities essentially aimed at achieving a new model of sound, sustainable economic and social development.

In like manner, this new foreign policy should be the fruit of debate and consensus among the different sectors of Paraguayan society so as to ensure broad-based commitment to sustaining and upholding it with the passage of time. It may thus become the policy of the State and not merely a series of circumstantial decisions taken by each passing administration.

In this framework, we have adopted a foreign policy that will diversify our relations and strengthen our ties with groups of countries which, albeit geographically remote from Paraguay, may bring us concrete, shared benefits.

Priorities

This being said, we shall proceed to set out the main guidelines underpinning our foreign policy. They are based on a prospective analysis but are all directly associated with the present domestic and international scenarios in both the short and medium term:

1. Defence of national sovereignty from a variety of perspectives: territory, security, environment, culture, natural resources, frontiers, migration, among others.
2. Promotion of democracy and human rights.
3. Furtherance of integration processes as a means to overcoming poverty and achieving sound, sustainable development.

4. Obtaining special, differential treatment for Paraguay as a landlocked country in all appropriate international forums.
5. Broadening of our international horizons by enhancing relations with countries in the Middle East, Asia and the Pacific.
6. Advancement of Paraguay's strategic role as a junction for routes linking the Atlantic to the Pacific.
7. Consolidation of Paraguay's position as the world's leading exporter of hydroelectric energy.
8. Unflinching combat against corruption, terrorism, drug trafficking and other transnational crimes.
9. Identification of Paraguay with the "Guarani World."
10. Support for the principles of multilateralism on a global and regional scale as an instrument for co-operation, peace and international security.

In what follows I shall proceed to analyse the more salient features of Paraguay's new foreign policy.

Integration and Paraguay's foreign policy - Mercosur

Since we are convinced that for our region of the world to eliminate poverty and attain sound, sustainable development we must adopt properly-planned common policies. We must likewise eschew the unilateral policies that we have vainly sought to make prosper over the past century. Integration processes therefore naturally take pride of place among our priorities.

From a historical perspective, Paraguay's membership of Mercosur has thus represented a Copernican change of course. From the moment it joined the Southern Cone Common Market, Paraguay began to face the world shoulder to shoulder with its neighbours through a form of non-military alliance. Indeed, Mercosur represents the joint action of four nations that share democratic ideals, designed to serve their inhabitants regardless of nationality, without barriers to migration and open to the world.

The Principle of Asymmetric Conditions

All integration processes are based on certain reciprocal, mutually-supportive founding principles: the opening up of the market as a key element,

but at the same time with full acknowledgement that this is not in itself sufficient to attain progress given the asymmetric conditions of the parties involved.

These asymmetric conditions must be appropriately compensated to ensure that individual potentials can be fulfilled in the scope of the market and to prevent the gap from widening. Likewise, the reciprocal opening up of national economies should not imply a new form of protectionism. On the contrary, we must seek to build a large continental, Latin-American market that is competitive in the global arena. This is the conception that has underpinned contractual recognition of disparities in economic development and the relative handicap of being landlocked, among others.

Throughout 2003, the Republic of Paraguay has systematically insisted on the principle of asymmetric conditions as a rule of thumb in negotiations both within Mercosur and in the bloc's relations with others.

In view of a major economic crisis aggravated by others originating in the region, more than ever Paraguay has had to face the need to achieve higher levels of competitiveness in order to achieve its true insertion in Mercosur. Such are the country's structural limitations that its own endeavours have proven insufficient to attain this goal. My country's social and economic indicators, in comparison with those of its partners in Mercosur, clearly show that Paraguay is the least developed member of the bloc. It has therefore become evident that the task of closing the gap is not simply a national challenge.

In this sense, the Declaration of Presidents at the 24th Summit of Mercosur held in Asunción in June 2003 is of the utmost importance. Paragraph 10 of the Declaration clearly states that: "Paraguay's proposal concerning differential treatment among the Member States of Mercosur was well received. This is seen to be an important step toward consolidating the process of regional integration. Moreover, the Member States acknowledge the need to adopt policies and concrete measures to deal with this issue, as agreed at the meeting of Foreign Ministers held in Montevideo. They have thus instructed the appropriate departments to take the necessary measures in the next two quarters to define and implement them."

The 25th Mercosur Summit, held on December 16th in Montevideo, was marked by special features that make it truly deserving of the epithet "historic," as was the case with the summits at Las Leñas (Argentina, June 1992) and Ouro Preto (Brazil, December 1994).

It deserves to be described as historic for two main reasons. Firstly, because it marks the effective establishment of solidarity as a cornerstone of an integration process that has come of age among the Member States. The second feature is concerned with Mercosur's external relations: the bloc has joined forces with the whole of South America by drawing up an Agreement with the Andean Community of Nations.

It should, indeed, be recalled that the 1991 Asunción Treaty was based on the principle of "reciprocity" of rights and duties tempered, nonetheless, by the notion of "flexibility." The latter has made it possible to grant limited benefits to smaller partners in the form of longer terms for complying with certain obligations. This new approach means that Paraguay and Uruguay will be afforded a set of benefits aimed at compensating the difference in size of their markets and economies. Particularly relevant in this context is the establishment of "structural funds" to provide the infrastructure they lack and help their industries to become more competitive.

Moreover, besides the measures adopted at the above-mentioned Summit it has been decided that the other Mercosur partners will undertake in all the bloc's "external negotiations" to obtain additional benefits for Paraguay. This may result in immediate waivers or allowances, shorter terms for products of interest to Paraguay, the granting of special quotas, additional time for the Paraguayan market to open up to sensitive products, and so forth.

On the other hand, Paraguay is to be allowed a "special origin regime" designed to assist it in promoting industrialisation. From 2004 to 2008, goods manufactured in Paraguay will be required to contain only 40% of regional components. The remaining 60% may be imported from outside Mercosur. This will provide an incentive for foreign companies and capital to invest and manufacture in Paraguay as the majority of the components assembled can be imported from more technically developed regions while local labour, energy and other components will generate the remaining 40% required for entry into Mercosur.

Obviously, the point of this special concession is the fact that it is temporary, companies being expected gradually to adjust their output to conform to regular Mercosur standards. In other words, from 2009 onwards compulsory regional content will rise to 50% of output and finally, in 2014 (i.e. within ten years) Paraguay will be on a par with its partners in the bloc vis-à-vis norms concerning origin of goods.

Paraguay is similarly entitled to maintain a set of exceptions to the “Common External Tariff.” The importance of this special regime adopted under the terms of treatment for asymmetric conditions is that it allows Paraguay a certain amount of leeway in adjusting tariffs to its needs.

Finally, Paraguay has obtained a “special regime for importation of raw materials” to secure a degree of competitiveness for its industry and agriculture. Owing to a commitment assumed within Mercosur this type of instrument is scheduled to be subject to regulation (i.e. rules applicable to all parties) in 2005. Once again, however, by virtue of decisions taken to ensure differential treatment for asymmetric conditions, in the case of Paraguay this special regime is to be extended until 2010. This will enable the country to organise its production better and thus equip it to conform to the general regime adopted within the bloc.

Institutional framework

The institutional framework of Mercosur has been strengthened and enhanced by creation of the Council of Permanent Representatives (Coreper) to be headed by Eduardo Duhalde, ex-president of the Republic of Argentina. The Council will allow the bloc to broaden the scope of its action in international politics besides serving as a mechanism for obtaining funding for its projects. Meanwhile, the establishment of a Technical Secretariat makes it possible to distinguish the sphere of action of the national delegations from that which is the preserve of Mercosur staff. Mercosur’s administration will henceforth be divided into two separate areas with political issues being handled by Coreper and technical matters being dealt with by the Mercosur Secretariat.

On the other hand, with the Olivos Protocol on Settlement of Controversies becoming effective as from 2nd January 2004, Mercosur is about to embark on a new phase in juridical and institutional terms. From now on the member states will have at their disposal a modern, pragmatic system for settling differences arising out of the application of provisions contained in the Asunción Treaty as well as supplementary legislation. As a result, economic agents within and outside the Mercosur zone will have sufficient juridical security to develop production and invest in the region.

A Permanent Tribunal is to be installed in the Paraguayan capital, Asunción, and we are greatly honoured by the trust the other member states

have placed in us by bestowing this responsibility and privilege upon our shoulders.

Paraguay hopes that the establishment of this Permanent Tribunal will serve to mark the beginning of Asunción's status as the judicial capital of Mercosur. We are thus equally gratified by the decision to establish alongside the Tribunal a "Mercosur Centre for the Promotion of the State of Law," the purpose of which is to provide a focal point for research and development of initiatives aimed at developing Mercosur Community Law. The Centre will serve as a vehicle for promoting democracy and the values of citizenship. The aim is to ensure that the region will become not only a zone of peace but also an example of democratic coexistence.

External Relations

The external agenda has come to be of vital importance for Mercosur. More than a means of relating to the international community and participating in the various forums for economic negotiations, it embodies the future of the bloc's member countries. Indeed, the success of the domestic policies of each one of our countries will depend on Mercosur's capacity to explore markets and stake out its place in world trade. Without foreign trade all our endeavours to create an appropriate environment for investment and labour will founder.

In 2003 as never before Mercosur has devoted a great deal of effort to promoting bilateral and multilateral trade agreements (e.g. with Peru and the Andean Community of Nations, respectively). For this reason also the 25th Mercosur Summit was historic for by means of the latter agreement we have given concrete shape to the dream of so many eminent Latin Americans to see the whole of Latin America united.

Paraguay is convinced that this is the right way forward for although it is scarcely easy to measure the benefits and risks of a trade agreement with any degree of precision, experience has shown that the end result is always positive when compared with the alternative of remaining in isolation.

Likewise, as part of our foreign policy we are determined to continue with moves to establish partnership agreements with the European Union, the Free Trade Area of the Americas (Ftaa), India, and South Africa, among others.

In this sense, we believe that Mercosur should continue not only to broaden the bloc's external agenda but also to exert its influence more effectively in forums for international negotiations. In the complex scenarios where the economic future of the nations of the world is decided today Mercosur has become an ineluctable point of reference.

We are fully confident that we should continue to work together to maintain and enhance this status. This is the only way to guarantee that our interests as a bloc will be recognized when it comes to establishing the instruments that enshrine the rights and duties regulating global economic relations.

Paraguay, a strategic country connecting the Atlantic to the Pacific

As a landlocked country that is nevertheless aware of its strategic location, Paraguay is eager to be the junction of routes linking the Atlantic to the Pacific. In this context, our condition as a country deprived of a seaboard can be transformed into an instrument for the physical integration of the continent.

Considering Paraguay's geographic location, its remoteness from the prime international markets and the consequent negative effect this has had on the competitiveness of Paraguayan products, physical integration is, without a shadow of doubt, of paramount importance to our country. Economic development hinges essentially on the modernisation and expansion of our energy, transportation and communications infrastructure.

In view of this, we are taking an active part in all forums where regional interconnection strategies are under discussion. These include the South American Regional Integration Initiative (known as the IIRSA Project), the bi-oceanic corridors, and the Paraguay-Paraná Waterway, among others.

Cultural diplomacy: the Guarani World

We are currently working on a strategy for presenting the "Guarani World" Programme. The aim of this programme is to promote the sustainable social and economic development of a region in the Southern Cone of South America covering parts of Argentina, Bolivia, Brazil, Paraguay and Uruguay.

The idea is to establish a cultural, ecological and adventure tourism circuit based on the preservation of the region's cultural and environmental heritage, guaranteeing the participation of Guaraní and other indigenous communities encompassed by the circuit.

Numerous areas in the region have been brought under official protection of the countries comprising the "Guaraní World" and they represent a sizeable percentage of their respective national territories in which the wealth of biodiversity is a salient feature. Combined with the cultural legacy of the *Misiones* and the townships the Jesuits founded here, this makes the region unique in the world.

For more than twenty years, important work has been under way at the main archaeological sites and in the towns that originated from the Jesuit Missions to restore and enhance this legacy with support from a variety of international institutions. The establishment of a tourist circuit or route within the bounds of the Guaraní World may provide a unique, intense cultural and ecological adventure, all the more so since Unesco has listed the most important of these *reducciones* or *reduções* as World Heritage Sites.

It is equally important to mention that the region has many other attractions to offer, such as craft centres, museums, *estancias*, national parks and natural wonders like the Iguassu Falls, the marshlands of the Chaco and Pantanal or the Atlantic Forest and Seaboard.

The prime aim of this project is to restore Paraguay's standing in the world on a new footing, in full awareness that the current state of affairs enjoins us to work together with all the members of the international community.

In conclusion, I would like to stress that with political will and the collaboration of the different sectors of Paraguayan society we can establish policies of State for the new century. They will empower us to meet the permanent challenges our country faces and to achieve the development and prosperity we dearly strive to attain.

We are confident that by accomplishing the objectives we have set out in our foreign policy will not only serve to found a new Paraguay but also to build a more fraternal, more humane world. The world we seek is one that for all the men and women inhabiting it can be a "place of safety and freedom." ■■■

Version: Mark Ridd.

Peru's foreign policy: A national option in the global process

Manuel Rodríguez Cuadros *

Globalisation has not yet created an integrated market on a global scale. Regional endeavours to deregulate trade and the multilateral rules established by the WTO are gradual moves in that direction. Although the internationalisation of capital flows has advanced more than the liberalisation of trade, globalisation is still in a transition phase. Markets have not yet replaced States or national societies, despite the fact that global governance has somewhat cramped the autonomous decision-making of national economies in the macroeconomic domain.

Undeniably, as Octavio Ianni¹ has pointed out, the global process is altering the local, regional, national and international scenarios in which States operate. Interpreting and assimilating these changes into the demands of foreign policies is thus a core requirement of diplomacy in our times. Nonetheless, the interests promoted, agreed upon or countered in international policy continue to be representative of the State. Even within the framework of globalisation, foreign policies are not conceived solely to make markets viable but above all to make States and national societies viable.

Globalisation has progressively dismantled the natural barriers of time and space in the economic sphere, the same applying in the realm of politics,

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¹ See Octavio Ianni. *La era del globalismo*. Mexico City: Siglo XXI Editores, 1999.

social relations and, no doubt, military-strategic affairs. From the economic standpoint, the kernel components of globalisation are the deregulation of financial flows, liberalisation of trade building up from regional experiments, relocation of the production of manufactures and services, and the global expansion of the effects of scientific-technological innovation in the fields of communications and information technology. The dynamic hub of this system is the global output of a hard core of 65,000 multinational corporations and their 850,000 foreign affiliates.

Substantial growth has been attained over the past two decades in the sphere of trade. Indeed, trade has certainly expanded faster than global gross domestic product. Globalisation has not, however, been the harbinger of increased exports and enhanced trade flows for all countries. Unctad and World Bank data show that most developing countries have failed to obtain significant trade growth. On the contrary, the least developed countries have experienced a remarkable decline in their share of international trade.

Only twelve developing economies have achieved ostensible growth in their share of world trade: China, which accounts for 13.2% of growth in trade of manufactures among developing nations; South Korea (11.7%); Taiwan (11.2%); Singapore (9.4%); Mexico (7.0%); Malaysia (5.0%); Thailand (4.0%); Hong Kong (3.0%); Brazil (2.8%); India (2.8%); Indonesia (2.4%); and Turkey (1.8%).²

The remainder – 167 countries or more – together account for a meagre 26% of trade in manufactures among the economies of the developing world. Were these figures to be adjusted by introducing the level of transformation of exports, the unequal nature of the global process would be even more glaring.

Since 1980, foreign investment has increased at an unprecedented rate. Since then, too, regulatory norms have been developed to liberalise the conditions under which foreign investment can be made. By the year 2000, more than one hundred countries were already operating highly deregulated regimes for foreign investment.

Meanwhile, a concentration of foreign investments in a number of developing economies, similar to that occurring in the field of trade, has become

² See report of the World Commission on the Social Dimension of Globalisation. *A Fair Globalization: The role of the ILO*. Geneva: ILO, 2004.

apparent. Since 1990, China has received 23% of all foreign investment in developing countries, Brazil has received 8.3%, Mexico 8.1%, Argentina 5.6%, the Bermudas 2.7%, Chile 2.7%, Thailand 2.2%, South Korea 2.1%, and Venezuela 1.7%.³

Globalisation has made headway in the field of finance more than in any other sector, both in the sphere of the multilateral finance system and in relation to banking system financial flows. Developing country international bonds in circulation rose from US\$ 25,000 millions in 1982 to US\$ 500,000 millions in 2002.

Technological innovation remains concentrated in the industrialised world. With the exception of China, India and a few others, the scientific and technological revolution has barely been assimilated into the production system in developing countries, despite the fact that they willingly consent to the consumption of high-tech products, especially in the field of communications, information via the Internet, electronic mail, digital television, cable television and telephone services, the charges for which have reached extraordinarily low levels throughout the world.

Besides, the positive influence of globalisation on markets and consumption, far from diminishing disparities in investment, its effects on social relations within States and on relations between States, have served to aggravate them. Inequalities have multiplied across the globe. Recent empirical studies have shown that in the past two decades, between 1985 and 2000, only 16 developing countries have seen growth averaging 3% while 55 have grown at no more than 2%, and 23% have endured negative growth.

In global terms, the level of employment has risen and absolute poverty has diminished. The 1990 figure for those living in poverty or extreme poverty was 1,237 million. By the year 2000, the figure had fallen to 1.1 billion. The reduction of poverty in China alone explains the downturn in global unemployment. The 361 million Chinese living in poverty in the early nineties have since been reduced to a figure of 204 million. These figures, however, have not been replicated in other developing regions of the globe, where rates of unemployment and poverty have risen. This is the case of Latin America and the Caribbean.

³ Ibid.

The economic and social components of globalisation should be interpreted in a manner consistent with the current political and strategic trends of an international system in transition. It is an undisputed historical fact that, by combining the various elements that determine national power, the United States have become the sole superpower. We thus live in a world that is unilateral, unequal and fragmented. The hard fact of unilateral power is not necessarily tenable as a political fact. Global governance no longer responds to passive systems of balance of power or the unilateral exercise of power. It necessarily requires legitimacy on both the domestic and external fronts. This can only be obtained through systems entertaining balance of decentralised (i.e. multipolar) components – however relative they may be.

Foreign policy in the global process: change and continuity

The global international system is modifying the scenario in which States operate. Foreign policies should therefore establish the necessary correlation between the domestic requirements of society or the State and the trends of globalisation as much in the social, political and strategic spheres as in the economic domain.

In the case of middle-income developing countries like Peru, this means defining foreign policies that are appropriate for both domestic and foreign agendas. They must strive to act within the international system so as to maximise trends that have a positive effect on the variables of domestic development whilst minimising or neutralising those that may produce a negative impact. At the same time, in order to enhance the negotiating capacity of small and medium-size countries, foreign policies must be designed to join forces on a regional basis or by means of coalitions of the like-minded with a view to exerting an influence on the global and regional governance of globalisation.

No blanket recipe exists. Each move in the international arena has a specificity determined by the weight of the domestic agenda and by the “external competitiveness” of each player. That explains why coalitions have become more complicated but nonetheless indispensable under the aegis of globalisation.

As hinted above, competitive potential is not the preserve of corporations, applying equally to States. It demands a less abstract, more precise definition

of national interests. It also implies a decentralised approach to the planning and implementation of foreign policy.

The paradigm that ascribes exclusive responsibility to the State for the formulation of foreign policy has been called into question. It has proven inadequate for representing national and social interests in today's world. The State can no longer act alone on the basis of government requirements. It must liaise with non-state actors – private enterprise, political parties and movements, and a plethora of institutions representing civil society, in particular – to forge a national, social consensus. Otherwise, foreign policy may lack the necessary social support at home and abroad.

The rationale of Peruvian foreign policy

Within this theoretical framework, Peruvian foreign policy stems from an interpretation of the historical development of society and the State in Peru, acknowledging the accumulation of domestic and international experiences that have forged the State's identity and autonomy. The bedrock is a combination of democracy, the state of law, respect and protection for human rights, social cohesion based on equity, and forthright regionalism – values broadly shared by the various sectors of society in Peru.

This pivotal consensus allows Peru's foreign policy to be conceived as a policy of the State. Regardless of the differing traits of each administration, the consolidation of certain continuities lends our policy the stability and coherence required for competitive edge in tackling the challenges of globalisation.

Insisting on national identity for enhanced international standing

The historical touchstone of Peruvian diplomacy is the decision to insist on national identity and autonomy in the context of economic liberalisation and active engagement in global processes. This means interpreting the global international system in terms that are compatible with the national fulfilment of Peruvian society and the Peruvian State. It implies re-valuing not only national identity and autonomy but also Peru's cultural and ethnic diversity as

the cornerstone for promoting social and national cohesion. It entails upholding national values in the context of globalisation and viewing the country not merely from the standpoint of the State. The nation is not confined to the State, much less to a centralist State. The nation is co-extensive with Peruvian society (political circles and civil society included), and it demands decentralised administration of national interests.⁴

On the basis of this national stance in the context of globalisation, Peruvian diplomacy is guided by the following fundamental principles: 1) Autonomy and affirmation of national and social underpinnings for foreign policy, the implementation of which is governed by a dynamics associating globalisation, national self-determination and social cohesion; 2) Preservation of national sovereignty and the integrity of the State; 3) Peaceful settlement of controversies; 4) Promotion of democracy and respect for human rights; 5) Open support for regional initiatives, Andean-South American integration, and Latin American identity; 6) Acceptance of universal trends in the global process, respect for international law and promotion of multilateralism; 7) Protection and support for Peruvian expatriates and their interests; and, finally, 8) Unity, coherence and decentralisation in foreign policy.

Peru has a number of attributes that lend the country a competitive edge in the international arena: its geographic location in central South America (facing the Pacific with longitudinal projection into the Andean region and latitudinal extension into the Amazon basin); its great diversity (one of the most diverse territories in the world) comprising 84 distinct habitats and 17 transition zones among the 104 acknowledged to exist on Earth; and the plurality and antiquity of its culture. At the same time, Peru's foreign policy is closely tailored to domestic reality, especially with reference to the state of poverty that continues to afflict a high percentage of the population. The fight against poverty has thus been incorporated as a permanent national objective.

The prime, long-term objectives of Peru's democratic diplomacy, in the context of the global international system, are as follows: to secure full exercise of national sovereignty; to guarantee security for the country and its inhabitants; to underwrite the consolidation of democracy; to assist even-handed economic

⁴ For an informed view of Peruvian national identity in a regional and international context, see Jorge Basadre. *Mentira o factibilidad del Perú*. Lima: Apertura, 1978.

and social development; to project Peru in the region and in the world as a stable, democratic country strategically located in South America that upholds the rule of law, pursuing bilateral and multilateral relations aimed at enhancing its economic and social interests yet also committed to the maintenance of peace with regional and international security being based on fairer multilateral international governance and due respect for international law.

Peru considers the entirety of its external relations from the standpoint of its strategic insertion in South America. In this context, it reaffirms its membership of the Andean community, seeks to advance its strategic relation with Brazil and to strengthen its preferential ties with neighbouring countries. This South American outlook compels Peru to ascribe top priority to furthering Latin American unity and integration. It views relations with its main economic and trading partners, the United States and the European Union, as a form of autonomous association. The diverse levels and degrees of concerted action in the multilateral forums to which Peru belongs respond to this strategic approach to foreign policy. They also reflect the country's constant disposition to promote concerted action with other like-minded nations on the basis of shared values such as the preservation and defence of democracy, respect for human rights, the fight against poverty, the strengthening of multilateralism, and improvement of the conditions and rules governing international economic relations, including those that prevail in the trade and finance systems.

The legal framework informing the external action of the Peruvian State is determined by provisions enshrined in the Constitution and by the various treaties to which Peru is a signatory. This is supplemented by multiparty consensus, reinforced by the consensus of civil society forged within the framework of the National Accord. The latter is a commitment entered upon by all the political parties, regional governments, representatives of business associations, labour leaders and the most representative national institutions.

The priority agenda of Peruvian foreign policy

In this context and in consonance with the provisions of the Peruvian Constitution, the National Accord and the external requirements of development and national security, Peruvian foreign policy pursues a priority agenda implemented on the basis of an integrated approach:

1. Diplomacy for the promotion and preservation of national sovereignty

Globalisation has not led to markets replacing States. Although new actors have emerged in international relations, international politics continues to be determined by interaction between nation-states, regardless of existing disparities in economic and political power.

National issues have not been swept aside by globalisation. On the contrary, they have acquired renewed prestige, albeit in far more complex, decentralised scenarios. Much like corporations, States can be more or less competitive and a key feature of their competitiveness is the degree of national cohesion and consciousness they display.

As mentioned above, with regard to Peru's foreign policy, affirmation of a national outlook is a key component of the principle of promoting and preserving the country's sovereignty. Working to open up the economy and make Peru a part of the global process demands simultaneously strengthening not only the national drive of foreign policy but also the national character of Peruvian society. In the context of globalisation, José Carlos Mariátegui's motto "let's Peruvianise Peru" holds truer than ever. The national spirit of Peruvian diplomacy is a tenet that must be made manifest in every foreign policy move and, at the same time, be compatible with the opening up of the country implicit in regional integration.

Preserving national sovereignty and the State's territorial integrity, with absolute respect for border treaties, is thus a permanent objective of our foreign policy.

A prominent aspect of preserving national sovereignty in Peru's current diplomacy concerns actions designed to secure sovereignty rights and jurisdiction over economic activities and natural resources within the 200-mile limit of the country's territorial waters. Naturally, this implies a decision to extend the juridical reach of the State's sovereignty rights and jurisdiction as far as the 200-mile limit. In the context of present-day international law, this can only be achieved through compliance with the 1982 UN Convention on the Law of the Sea.

The unsettled issue of Peru's maritime border with Chile likewise ranks high among Peruvian diplomatic concerns regarding the promotion of its sovereignty. In 1952, Peru, Chile and Ecuador subscribed to the Santiago

Declaration. This binding agreement established the legal entitlement of Peru and Chile to their respective territorial waters extending to a minimum distance of 200 miles from the coast. Since the rights of both countries regarding the said waters overlap owing to the adjacency of their coastlines, rules must now be fixed pursuant to the precepts of international law to draw a dividing line that ensures an equitable outcome for both parties.

Peruvian diplomacy is taking the necessary steps to fulfil this national objective. Moreover, settling this outstanding matter will make our highly important relations and liaison for closer association with Chile more stable and thus pave the way for further co-operation and joint action with our neighbour to the south.

Peru has no problems relating to the delimitation or demarcation of its terrestrial frontiers. All have been legally established, there being no issues pending. This gives cause for a reconsideration of traditional approaches to the lines drawing the terrestrial frontier. Frontiers naturally continue to be the borderline for the exercise of sovereignty in relation to neighbouring States. At the same time, however, a view of frontier zones that stresses neighbourly attitudes and negotiation of frontier integration zones raises the prospect of implementing joint development strategies.

We are endeavouring to introduce a frontier development and co-operation policy that overrides the traditional view of frontiers as lines separating States. Instead, we argue for a modern approach to frontiers as areas for integration, creation of inter-regional markets, and economic and social development. This is the thinking that now guides Peru's frontier relations with Brazil, Colombia, Ecuador, Bolivia and Chile.

Frontier integration is the most suitable way to interconnect transborder markets by means of physical infrastructure projects, economic and social development schemes, and joint investments. It is also a way to raise the level of employment and social assistance for the population. It has likewise proven to be the most effective way to instil a culture of peace, friendship and mutual trust.

The Binational Development Plan for the Peru-Ecuador Frontier Zone is a joint strategy designed to promote activities and implement projects that will foster the economic integration of the region, enhance its productive and social development, and overcome its relative backwardness compared with the remainder of both countries' territories.

The Binational Plan is expected to last ten years (2000-2009). According to estimates made in 1998, it will require investments of the order of US\$ 3,000 millions to be put up by the governments of Peru and Ecuador, and supplied through international co-operation and by private enterprise. Investment has been programmed and is being made within the framework of four programmes: Binational Programme of social and productive infrastructure projects with an estimated budget of US\$ 1,498 millions; Peruvian and Ecuadorian national programmes for building and improvement of production infrastructure in their respective frontier zones at a cost of US\$ 400 millions; national programmes for construction and improvement of social infrastructure and environmental aspects in frontier zones estimated at US\$ 500 millions; and programmes for promoting private investment calculated at US\$ 602 millions. Projects under way contained in this Plan include those relating to the reorganisation and management of the binational Catamayo-Chira basin; management of the binational Puyango-Tumbes basin; the Huaquillas-Aguas Verdes Highway No. 1; and the health and rural development project, funded by Spain, the World Bank, the European Union and Italy, respectively.

The strategy for frontier development and integration on Peru's northern and northeastern borders is complemented by frontier integration and co-operation programmes with Colombia and Brazil. In the case of Colombia this relates specifically to the binational development project for the Putumayo river basin, covering an area of 160,500 square kilometres. The project focuses on joint management of fishing activities and of the Tarapacá and Flor de Agosto forests, the aim being to provide sustainable, productive employment for the local population. In the case of Brazil, projects are under way to interconnect the two countries by road, river and air with a view to boosting inter-regional frontier markets in the states of Amazonas, Acre, Rondônia and Mato Grosso in Brazil and the macro-regions of northern and southern Peru, encompassing the Loreto and Ucayali regions. The emphasis here is on engaging regional governors and chairmen in negotiations and on implementing accords in conjunction with a dynamic association between regional and local business communities. Physical interconnection and the development of inter-regional markets along three bi-oceanic corridors is a determining factor in the creation of shared development areas.

On Peru's southern frontier, the development strategy for the frontier zone aims to promote economic integration of western Bolivia, southern

Peru and northern Chile. Frontier arrangements, the Economic Reciprocity Accord between Peru and Chile, physical integration and on-going negotiations on a common market treaty with Bolivia are all components of this process which has enormous potential for interconnecting the countries' electricity and energy grids.

2. Diplomacy for strategic insertion in South America

Peru's foreign policy has elected the South American sub-continent as the immediate scenario for the State's foreign action. Owing to geographic, historical and cultural identity and the density of shared interests, South America is the most immediate social, economic, political and strategic space for Peru's international projection. The Andean, Amazonian and maritime environments along Peru's coastline link Peruvian territory to South America and to the Pacific Basin. South America is the fulcrum of Peru's regional and global projection in foreign relations. This is the environment that has shaped and continues to determine a large proportion of its history.

Peru envisages its strategic insertion in this sub-region from the standpoint of its membership in the Andean Community and its strategic understanding with Brazil. It postulates the creation and consolidation of a South American forum functionally consistent with Latin American liaison groups and identities, such as the Group of Rio and other institutional expressions of regional politics. Peruvian diplomacy has been working to promote the creation and consolidation of an integrated South American space by means of the following initiatives:

- a. Improvement of the free trade area in the Andean Community, and the implementation of a new strategic configuration based on a review of development variables and on a functional dovetailing of trade commitments within the Community as well as the signing of free trade agreements with countries and groups of countries in the expansion zone, so as to obtain a larger extended market.
- b. Negotiation and signing of a common market treaty between Peru and Bolivia.

- c. Merging of the Andean Community and Mercosur by means of recently signed free trade agreements as a move towards establishing a greater South American free trade area.
- d. Active participation by Peru as a Mercosur associate.
- e. Physical integration of South America, on the basis of transborder regional markets, especially through establishment of the corridors envisaged in the Initiative for the Integration of Regional Infrastructure in South America (Iirsa).
- f. Upgrading of the commitments to build the physical infrastructure agreed upon under the umbrella of Iirsa in the text of a Treaty on Physical Interconnection of South America.
- g. Transformation of South American Summit Meetings into a full-blown Commonwealth of South American Nations with a flexible, multifunctional, multi-sector institutional framework capable of providing dynamic co-ordination and dialogue.

Despite the evident transformation of the production system that has taken place in some countries and in certain sectors, South America remains largely dependent on exports of raw materials, mainly oil, copper, gold, iron, soybeans, coffee, bananas and tin. Exports of raw materials continue to account for more than 40% of the region's total exports. It is thus vital to push ahead with the transformation of the region's production system, and to enhance the competitiveness of national economies and corporations. According to figures on competitiveness published by Harvard University and the World Economic Forum, the average competitive ranking of South American economies was 59th among the 75 countries examined. At the same time, the region displays the highest levels of income inequality in the developing world: the richest 5% of the population in South America receive 26% of all income.

To overcome this predicament, South America must grow consistently at annual rates of 6% or 7% without the population increasing more than 1.5% per annum. A development strategy that fosters social cohesion is most likely to attain these objectives. To this end, however, certain obstacles must be removed and substantial advances made concerning competitive potential,

particularly if economic growth is to prove sustained not merely in terms of external factors but also with regard to the region's own production dynamics.

A number of physical obstacles persist regarding access to intra-South American markets. The region encompasses an area of approximately 17,819,100 square kilometres and its major cities are situated at a relatively great distance from the main international consumer centres. Meanwhile, integration of national, regional and world markets is hampered by enormous natural obstacles: the Andes mountain range, the Amazon region, sprawling river basins and wetlands. The initiative for integrating the South American region's infrastructure seeks to establish mechanisms that can overcome these obstacles and boost the region's economic development through methodological and financial innovations. The aim is to establish transportation, energy and telecommunications connections between markets and areas with high growth potential. These connections must provide compatible technical standards and operating conditions acknowledged to be reliable.

From our standpoint, Iirsa constitutes a decentralised alternative for regional integration, an option that enables Peru to take full advantage of its geographic location, making it a viable choice for interconnecting the Pacific and Atlantic Oceans in South America. It also provides a prime opportunity for developing the different regions in Peru by exploring the potential of regional inter-frontier markets. Peru has a keen interest in the following elements of the Iirsa initiative. The inter-nodal hub in the Amazon region designed to interconnect northern Peru and eastern Brazil, linking the ports of Paita and Bayóvar on the Pacific coast in Peru to Belém and Macapá on Brazil's northern Atlantic coast. The Central Inter-Oceanic Hub linking Peru's southern region to the States of Acre and Rondônia in Brazil. Both states are farther from São Paulo than from Peru's regional markets. The inter-oceanic hub can improve access to the Pacific Basin for exports from these western states in Brazil via the Peruvian ports of Ilo and Matarani. The Southern Inter-Oceanic Hub linking southern Peru to the States of Mato Grosso do Sul, São Paulo and Rio de Janeiro from Peru's Pacific coastline. This hub additionally links Peru to Bolivia and Paraguay whilst also raising the possibility of an inter-oceanic connection between the Peruvian ports of Ilo and Matarani and the Paraguayan ports of Villeta and Concepción on the Paraguay-Paraná waterway.

The Iirsa integration hubs should be supplemented by efforts to integrate road systems and national markets. All these undertakings require hefty

investments, nonetheless. Bearing in mind that the region's fiscal status does not allow for major investments, the Government of Peru has proposed mechanisms that may assist in financing physical infrastructure projects and, as a spin-off, provide jobs and alleviate poverty. The first proposal is that the international finance community adopt innovative financing mechanisms. The accounting criteria employed by the International Monetary Fund for calculating fiscal deficit should be altered so as to differentiate current outlay from spending on investments. This would free funds from the cap on debt for investment in physical infrastructure. On the other hand, a South American infrastructure authority could be created.

As an area of physical and economic integration and as a political unit, South America has sufficiently high levels of transborder flows in people, trade and investment, and sufficient social and political exchanges to envisage a relatively high degree of unity in political co-ordination on regional and global issues. A South American integration project may also serve to strengthen Latin American identity by means of convergence with other sub-regional units making similar progress in the same direction: Central America and the Caribbean.

3. Economic Diplomacy

Peru is a middle-income developing country with productive potential, a substantial endowment of natural resources, and an increasingly competitive business sector. At the same time, its social indicators reveal a high percentage of the population living in poverty (approximately 50%) or extreme poverty (22%). The prospects for defeating poverty are directly associated with growth and greater corporate competitiveness – both factors that generate decent employment.

In full awareness of this state of affairs, Peruvian diplomacy must take an essentially economic and social tack in a large proportion of its foreign relations. The fundamentals of Peru's economy are stable and auspicious. When President Toledo took office, the economy had registered real GDP growth of just 0.3% for 2001. Since then, Peru has grown at an average rate in excess of 4.2% per annum, and estimates for 2004 and 2005 put growth at 4.5% or more. Inflation stood at 1.5% in 2002 and 2.48% in 2003, the rate for 2004 being estimated at 2.5%. The country's risk ratings have dropped substantially, averaging 249 points

in 2003. Foreign reserves have increased steadily, rising from US\$ 8.613 millions in 2001 to US\$ 11 millions in 2004. The debt-to-equity ratio fell from 45.7% in 2000 to 45.45% in 2003 and is set to continue on this downward trend in 2004 and 2005, dropping to 45% and 43.2%, respectively.

Peru's macroeconomic stability is laying the groundwork for greater business activity and higher employment – as yet incipient. Exports, which stood at US\$ 6,900 millions in 2001, have increased significantly, reaching US\$ 8,000 millions in 2003. The forecast for 2004 is US\$ 10,000 millions, which allows one to assume that the target of US\$ 13,000 millions will be attained in 2005. Peruvian exports are reasonably diversified, 25.79% going to the United States, 29.2% to Nafta (Canada and Mexico, besides the US), 25.5% to the European Union, 19% to Asia, and 10% to South America.

Peru has a relatively small domestic economy, economic activity being highly concentrated in the coastal strip, especially in and around Lima. As a result, the national development strategy focuses on the external market, seeking to reach an extended market of 800 million or more consumers. Peru has practically consolidated a free trade area with the countries of the Andean Community in addition to signing a free trade agreement with Mercosur and initiating negotiations for an FTA with the United States. Negotiations that should culminate in a free trade agreement between the Andean Community and the European Union have been under way since the Europe-Latin America Summit held in Guadalajara. Negotiations are likewise in progress for a free trade treaty with Thailand, and others are due to commence, probably with Morocco and with Latin American countries not included in multilateral regional trade liberalisation processes.

Another priority of the national strategy for expanding trade and boosting productive activity is insistence on more equitable negotiations in the Doha Round. Peru argues that concrete results must be achieved concerning access to markets and agricultural trade, including gradual elimination of farm subsidies, assistance for agriculture and exportation of agricultural produce, acceptance of a safeguard clause that is more effective for developing countries, as well as lists of sensitive products that will enable their farmers to be progressively more competitive.

Regarding the specific activity of Peruvian embassies and consulates overseas, all Peru's diplomatic missions have been assigned specific tasks for

promoting exports, attracting investments, and encouraging tourism. An integrated approach has been adopted to overcome the dispersion and compartmentalisation prevalent in the past. The present strategy actively seeks to involve the private sector. Diplomatic staff are receiving specialist training in economic promotion, and a commercial counsellor of the diplomatic service has been appointed to every mission overseas in addition to the specialist attachés posted to embassies in countries with which Peru has more dynamic trade relations.

4. Social Diplomacy

Convinced of the importance of multilateral action to foster a fairer, more inclusive and equitable international economic system, Peruvian foreign policy propounds a new development agenda for global governance. All countries – developed and developing alike – should have access to the benefits of expanding trade, greater investments and improved social cohesion.

It is estimated that there are 1.2 billion people exposed to extreme poverty in developing countries living on less than a dollar a day. Of these, 826 million endure famine and hunger. As many as 114 million children are deprived of primary education, 63 million of whom are girls. Every year 11 million infants under the age of five die of preventable diseases. Every minute a woman dies in the world of causes related to childbirth. A total of 42 million people worldwide are infected with HIV/Aids. Access to clean drinking water is denied to 1 billion people while a further 2.4 billion do not have access to basic sanitation.

Peru's position in the human development index has remained stationary between 2002 and 2003, ranking 82nd, below Chile, Costa Rica, Colombia, Venezuela, Hungary and Rumania but above Ecuador, Paraguay, Honduras and Morocco. The tasks of promoting domestic socio-economic development and combating hunger are priority components of Peru's national development strategy. In view of this, the current administration has included social diplomacy among its priorities.

Extricating 52% of the population from a state of poverty is in the interests of the entire nation and is thus a prime national objective. Hence, Peruvian diplomacy has incorporated the social variable into its strategy for action. The creation of decent employment, the improvement and expansion

of coverage for health, education, housing, nutrition and adequate care for mothers and infants are targets that foreign policy should help accomplish.

In the context of Peru's international projection, Social Diplomacy can be defined as an endeavour to muster an array of available resources in implementing Foreign Policy. The aim is to promote fair, democratic national development while enhancing our competitive potential.

In a changing global and national scenario, Peru faces the challenge of plotting anew the co-ordinates of its foreign presence. The implications of this approach are such that they assume the appearance of a renewal in the way Peru sees itself. In this light, the concept of Social Diplomacy augurs auspiciously for harmonising the way we project out to the world at large with the way we project inwards. Indeed, the concept of Social Diplomacy comprises one of the strategic dimensions that should be the hallmark of Peruvian foreign policy. It reflects the Government's political will to ensure its action in multilateral forums and in dealing with other realities emerging in the context of globalisation matches the pressing demands and needs of domestic development. Operating harmoniously on both fronts has become an imperative since globalisation has made frontiers and national sovereignty porous categories. It has intensified the transit – if not the lack of distinction – between domestic and international spheres so that, for instance, domestic policies for combating poverty can no longer fail to take account of the effects of migration or international trade.

Peru's Social Diplomacy represents an attempt to attune foreign policy to the priority national objectives of drastically reducing poverty, malnutrition and the incidence of infectious or contagious diseases associated with them. It entails maximising the national, social and personal benefits to be derived from emigration. It operates on three fronts: multilateral action, mainly associated with the Millennium Development Goals; channelling Official Aid for Development to our country; and mobilising communities of Peruvian émigrés in support of national development goals, including protection for expatriate Peruvian nationals and support for their interests.

One positive aspect of multilateralism in the present day is the globalisation of the social agenda. This is based on recognition of the fact that many contemporary social phenomena are replicated across the globe or produce consequences that transcend national borders. The fight against hunger

and against today's infectious/contagious scourges, for example, cannot be circumscribed to the exclusive competence of nation states. They demand multilateral or supra-sovereign responses.

The globalisation of the social agenda – understood as a projection of aspects of social policies on a worldwide scale – is particularly evident to a country like Peru where the surfacing of unsolved structural problems has in recent decades provoked intense emigration (often referred to as the exportation of poverty) leading to the present situation in which roughly 10% of Peruvian nationals now live outside the country.

The globalisation of the social agenda is strategically significant for at least three reasons. First, the burgeoning inequalities marking the international scenario led UN Secretary-General, Kofi Annan, to state the following in his report to the Millennium Summit titled “We the Peoples: The Role of The United Nations in the 21st Century”:

First, the benefits and opportunities of globalisation remain highly concentrated among a relatively small number of countries and are spread unevenly within them. Second, in recent decades an imbalance has emerged between successful efforts to craft strong and well-enforced rules facilitating the expansion of global markets, while support for equally valid social objectives, be they labour standards, the environment, human rights or poverty reduction, has lagged behind.

The globalisation of the social agenda thus represents a response to these imbalances, which seriously affect Peru and all other developing nations. It gives voice to a universal desire to build a fairer world.

Second, globalisation of the social agenda is an attempt to make the emerging world scenario coherent and sustainable. In the same document, the UN Secretary-General also points out that:

[...] globalisation must mean more than creating bigger markets. The economic sphere cannot be separated from the more complex fabric of social and political life, and sent shooting off on its own trajectory. To survive and thrive, a global market economy must have a more solid foundation in shared values and institutional practices – it must have a broader, and more inclusive, social purpose.

Third, domestic social developments and conditions in Peru are significantly determined by extra-national variables. One example of this is the effects that the phenomenon of global warming is apparently having on regular climate cycles in most of the poorer regions of our country. They aggravate pre-existent conditions of poverty and inequality. Other examples include the differential effects that the signing of a Free Trade Treaty with the United States will have for Peru or the sudden change in international meat trade flows caused by outbreaks of pandemic diseases, which create unforeseen opportunities for our country that are rarely turned to its benefit.

Responding to the drive that globalisation of the social agenda propitiates, Social Diplomacy holds to the premise that social equity, socio-cultural development and economic development comprise a single process. They are thus tackled en bloc, in an integral, coherent manner. Consequently, political and economic integration schemes must be geared to achieving a permanent improvement in living standards for the region's inhabitants. They should likewise serve to strengthen the exercise of economic and social rights and duties, as high authorities responsible for social development policies in our Continent have acknowledged in the recent Santa Clara Declaration on Social Cohesion in Latin America and the Caribbean. In this context, Peruvian foreign policy – planned as a lever for national development – must take stock of the latter's pivotal importance for the country's international standing, projecting its inherently multifaceted nature abroad. Peru's Social Diplomacy thus seeks to promote national interests pro-actively when it comes to establishing and implementing the global social agenda. The latter is understood as the international community's contribution to facing the challenges of our own development as our country seeks to assert its leadership in promoting better, more equitable international conditions for progress.

With this in mind, the Peruvian Foreign Office has defined and is currently implementing a social diplomacy drive concentrated in three priority spheres of action:

1. Pursuant to the requirements of the National Plan to Combat Poverty, active participation in international negotiations on the social agenda. The prime focus is on the fight against poverty and hunger, eradication of illiteracy, treatment of the diseases and ailments that most affect the Peruvian population (including endemic diseases such as tuberculosis, yellow fever and malaria),

overcoming the housing deficit, particularly in poorer rural and urban areas, food supply and nutrition programmes, the creation of decent jobs, rural development, improvement of working conditions for women and children, and matters relating to population policies.

Within the framework of these international processes, priority is ascribed to seeking national and international initiatives that can help Peru meet the global targets laid out in the United Nations Millennium Declaration. This applies especially to accomplishment of the basic development goals established: halving by the year 2015 the percentage of people living on less than one dollar a day and who suffer from hunger; preventing school absenteeism so as to meet the target for all boys and girls in the country to complete at least the full cycle of primary education; eliminating gender inequalities in primary and secondary teaching, preferably by the year 2005, and at all levels of education by the year 2015; reducing by two thirds by the year 2015 mortality rates among children under 5 years of age; reducing maternal mortality by three quarters by the year 2015; halting and beginning to reduce the spread of HIV/Aids by the year 2015; controlling and beginning to reduce the incidence of yellow fever, tuberculosis and malaria by the year 2015; halving by the year 2015 the percentage of people denied sustainable access to clean drinking water and better sanitation services.

The millennium development goals listed above applied to circumstances in Peru have become targets of the country's national development policy and of social diplomacy. Internal endeavours thus mesh with co-operation for development activities within the United Nations system. These activities have in common the following characteristics: they are universal, voluntary and provided as donations; they are neutral and multilateral; they are carried out for the benefit of the target populations in consonance with national development policies.

The main technical and financial co-operation agencies of the United Nations Organisation, such as the United Nations Development Programme (Undp), the United Nations Children's Fund (Unicef), the United Nations Population Fund (Unfpa) and the World Food Programme (WFP), whose headquarters is in Rome, run programmes in Peru designed to relieve poverty and generate productive capacity among more vulnerable social segments.

The current Undp co-operation programme with Peru (2001-2005) is one of the most far-reaching in the region with a global budget of US\$ 311,783,000.

These resources are used to support social programmes for alleviating poverty and to support the country's drive to improve the State's administrative capacity, enhancing the level of democratic participation of local governments and communities as means of bolstering democratic governance.

Finally, social diplomacy also plans to implement a programme still being drafted called Solidarity. The aim is to select each year sixty to eighty micro projects that have a direct social impact. These can range from the building of small schools or the installation of bakeries or milk bottling plants in women's clubs to medical care programmes or the installation of small health centres. One to three projects will be assigned to each diplomatic and consular mission overseas for them to seek funding through non-refundable co-operation or donations. The local populations benefiting from the projects will be responsible for administering them through grassroots organisations.

5. Diplomacy in defence of democracy and the modernisation of the inter-American system

Great progress has been made in recent years in forging an agenda for inter-American governance. The Inter-American Democratic Charter (a Peruvian initiative) enshrines the juridical and political framework of democracy and the rule of law in the region.

Today, democracy is not merely a protected asset but rather a binding obligation for all the member states of the OAS. The Inter-American Charter has acquired sufficient status for other continents to advance in the same direction, expanding approval of democratic clauses. Indeed, it has even allowed the United Nations to make progress for the first time toward achieving a consensus on elements that define or contribute to the existence of a democratic regime.⁵

Nevertheless, the region has not yet reached a consensus on the usefulness and convenience of applying the Charter to situations in which institutional democracy is at stake. The case of Haiti is emblematic. Had the Charter been

⁵ See Manuel Rodríguez Cuadros. "La Carta Democrática Interamericana" In: *Carta Democrática Interamericana, documentos e interpretaciones*. Washington DC: OAS, 2003.

opportune brought to bear, the crisis might have unfolded in a manner less harmful to institutional democracy. We still lack a sense of practicality when it comes to defending institutional democracy.

Other important advances in redefining the inter-American agenda include the Convention against Corruption; the decisions adopted in the wake of the September 11th attacks on combating terrorism; the experience of utilising the Multilateral Assessment Mechanism in the fight against drugs; the results of the Extraordinary Summit of the Americas on economic, social and financial issues; the consensus concerning a pluralist, democratic approach to continental security reached at the Ministerial Conference in Mexico; and the strengthening of the inter-American system for protecting and promoting human rights.

All this is still insufficient, however, as is the fact that a compartmentalised approach persists in inter-American dialogue. Sadly, issues such as peace and security are not linked, in practice, to the maintenance of democracy or the fight against drug-trafficking and the social agenda.

We must continue to perfect the system on a consensual basis. The challenges posed by globalisation and their bearing on domestic and sub-regional agendas demand a modern, up-to-date inter-American system based on the juridical equality of the member states, one that can provide ready responses to the real problems afflicting our citizens, especially the poor and the excluded among them. To this end, we must strive to forge an inter-American agenda that focuses on the issues and priorities that affect our people's daily lives. Peru considers the following to be the key elements of such an agenda:

- a. Defence and preservation of institutional democracy. Determined political will is required to apply the Inter-American Democratic Charter, especially the preventive aspects of the same, and to accept that the future of democracy in the region hinges on its capacity or failure to address the legitimate demands for decent employment of the majority of the population.
- b. Means to secure governability that do not expose democracy to social questioning as a result of failures or shortcomings in solving the problems besetting large numbers of people on a day-to-day basis because they are unemployed, because their wages are insufficient to provide a decent standard of living, because they are ill and cannot get adequate treatment or because they see their children abandon

primary or secondary school for lack of economic means. This is the real daily agenda underpinning democratic governance.

- c. Issues relating to equitable economic growth, the tasks of development and social issues. This is the social and economic agenda that we cannot continue to downplay or sidestep. It urgently needs re-valuing, making the Permanent Council responsible for taking up the debate on economics and regional development.
- d. It is likewise necessary to tackle matters of peace and regional security with a proactive approach that seeks to put the conclusions of the Mexico Conference into practice. It is essential that the OAS engage more actively in a number of urgent tasks: institutionalising a democratic, co-operative approach to security; discouraging any hint of an arms race that would only undermine the prospects for economic growth and might revive national tensions that have fortunately been laid to rest. Practical measures should be introduced to implement a regional register for the acquisition of weapons as a means of fostering trust that may avert an arms race and head off sub-regional imbalances. The OAS should also commit itself more fully to the elimination of antipersonnel mines.
- e. The issue of drug trafficking and terrorism. We must advance more decidedly in the fight against drug trafficking and terrorism, which are increasingly interrelated. We must consolidate an integral approach to combating drug trafficking focusing simultaneously on demand and supply. In this respect, positive results have been obtained in applying the multilateral assessment mechanism to the substitution or eradication of crops. However, the mechanism's assessments must also identify advances that could be made in countries most affected by consumption concerning actions adopted to reduce demand.
- f. The fight against corruption. Corruption corrodes institutional democracy and opens the door to drug trafficking, money laundering and illegal trade in weapons. Corruption is the antithesis of good governance. Peru considers it indispensable to reinforce anticorruption measures and to create new instruments of judicial solidarity and co-operation that will allow for the extradition of high-ranking government officials responsible for acts of corruption, including negotiation and signing of a multilateral extradition treaty exclusively for cases of corruption.

- g. Improvement of the inter-American human rights system. Making it possible for individuals to bring cases directly before the Inter-American Court of Human Rights is another pressing task, as is endowing the Court with permanent status.

Similarly, Peruvian diplomacy is proposing a number of changes to the institutional structure of the OAS so as to adapt it to the demands of the regional governance agenda. Preventive diplomacy is an urgent necessity, especially when situations that can provoke a crisis for institutional democracy arise. For this purpose, there must be a unit directly responsible for managing the Organisation's political affairs. Likewise, matters relating to peace and security, particularly those associated with preventing an arms race, effective registration of the purchase of weapons, introducing confidence-building measures, and a proactive policy to flesh out a shared vision of democratic security all require a specific institutional management body.

A study on democracy in Latin America published by the United Nations Development Programme has presented several worrying indicators. A large percentage of the population in the region feels cheated by the results of democratic rule, and a significant percentage claim they would opt for an authoritarian regime were it to resolve their subsistence problems. This is a wake-up call for all those with a democratic conscience in the hemisphere. It is not a real indicator of the democratic will of our peoples. Were a survey to ask the population if they would support a democratic regime that gave them freedom, guaranteed their rights and provided them with decent employment while satisfying their basic needs in terms of work, health and housing, a predictable outcome is that the survey would find 90 percent or more in favour.

6. Diplomacy for peace and international security, prevalence of international law, strengthening and positive reform of the United Nations, and the affirmation of groups in favour of disarmament and the restriction of weapons

A reform of the United Nations is needed to strengthen multilateralism and to make the institution more efficient and effective.

The imperative for reform has been acknowledged in a number of General Assembly resolutions, particularly in the Millennium Declaration (Resolution 55/2) passed in September 2002. Under the terms of the Resolution, the Heads of State and Government of the member states have decided “to reaffirm the central position of the General Assembly as the chief deliberative, policy-making and representative organ of the United Nations, and to enable it to play that role effectively; to intensify efforts to achieve a comprehensive reform of the Security Council in all its aspects; to strengthen further the Economic and Social Council; and to strengthen the International Court of Justice, in order to ensure justice and the rule of law in international affairs.”

Subsequently, given the sense of urgency ensuing from the legitimacy crisis engendered by the conflict in Iraq in 2003, the Secretary-General of the United Nations, Kofi Annan, insisted in his report to the General Assembly on 2nd September 2003 (A/58/323) on calling on the member states to examine carefully the present “architecture” of international institutions. He suggested that the 2005 General Assembly be set as a deadline for reaching an agreement on the changes that need to be made.

Peru is in favour of a reform of the United Nations that will empower it to address in a solidary fashion new and old demands in the realms of peace, security and development. Peru insists that the General Assembly shoulder its responsibilities in an effective and efficient manner, including matters relating to international peace and security. It holds that the Security Council should be made more representative and democratic by expanding the number of seats to include new members and especially by making reasonable modifications to the Council’s decision-making procedures, at the very least restricting issues subject to veto. With a view to contributing to this reform process, the Government of Peru has joined the “Group of Friends” of United Nations Reform.

Similarly, Peru endorses continued improvement of the UN’s capacity to respond in preventing armed conflict and fielding peace-keeping operations. The Government has decided to increase Peru’s contribution to peace-keeping missions whenever they comply with the provisions in chapter VII of the UN Charter. Peru has already contributed military observers to peace-keeping missions in the Democratic Republic of Congo (Monuc, since 2000), in Eritrea-Ethiopia (Unmee, since 2001) and Liberia (UNOL, since 2003).

In November 2003, the Government of Peru increased its political commitment to Peace-Keeping Operations by means of a Memorandum of Understanding on the United Nations System of Stand-By Arrangements, signed in Lima by President Alejandro Toledo and Secretary-General Kofi Annan. This document lays out in detail Peru's offer to contribute to Peace-Keeping Operations one Infantry Battalion of 640 officers, two Marine Companies of 212 officers and one Special Forces Infantry Battalion of 91 officers, in addition to helicopters, combat aircraft, specialist equipment and a missile frigate. In March this year, Peru is expected to contribute one aero-transported company to the peace-keeping operation in Haiti.

In the field of human rights, Peru supports the Secretary-General's proposal contained in a document titled "Strengthening the United Nations: An agenda for further change." This reform package includes measures for reforming the organs created by virtue of treaties on human rights so as to make good the commitments assumed by the States and to enhance the United Nations Organisation's relations with private enterprise and civil society. It presses for greater transparency and objectivity in the workings of the Commission on Human Rights besides insisting on a co-operative approach from the human rights protection bodies stemming from the UN Charter as well as conventional organisations. Protecting human rights is an essential function of the United Nations that should be exercised without discrimination and shun politically selective procedures.

Peru is a staunch supporter of an international order based on multilateralism and respect for clear, predictable legal norms underpinning firm, effective, legitimate action. This is the best guarantee of a stable international system capable of guaranteeing global peace and security on the basis of international law and the legitimacy of broad consensus.

Peru forthrightly condemns any act, method or practice of terrorism in all forms and manifestations wherever they may occur and regardless of who commits them. Peru is thus party to the international drive the United Nations is promoting to provide systematic, sustained and efficient response to terrorism, assessing all aspects of this scourge. Peru is a signatory of the twelve international treaties on the fight against terrorism drawn up under the auspices of the United Nations. It is also a member of the General Assembly's Special Committee established by virtue of resolution A/RES/51/210 and of the Working Party of the Sixth Commission established by virtue of

resolution A/RES/57/27, currently negotiating a draft General Convention on International Terrorism and a draft International Convention for the Repression of Acts of Nuclear Terrorism.

On issues relating to disarmament, Peru considers that the threat of nuclear proliferation among States continues to be a real danger. It therefore defends an end to the nuclear arms race and supports nuclear disarmament. It is also in favour of the following: prevention of nuclear war; adoption of international agreements that provide States not in possession of nuclear weapons with effective guarantees against the use or threat to use such arms; international control of new types of weapons of mass destruction and new systems for such weapons (e.g. radiological weapons); control of conventional weapons at regional and sub-regional levels; transparency and universal, regional and sub-regional restrictions on the purchase of weapons; and adoption by the United Nations of a comprehensive disarmament programme.

Peruvian diplomacy places strong emphasis on the elimination of anti-personnel mines, the establishment of international, regional and sub-regional regulations for controlling small and light firearms, as well as prohibition of the use and transference of chemical and biological weapons. In the ambit of the Andean Community of Nations, Peru tabled and won approval for the Andean Charter for Peace and Security, Limitation and Control of Spending on External Defence. The Charter introduces commitments to adopt a common Andean security policy, to establish a sub-regional peace zone, to place a cap on spending on external defence, to draw up agreements for the control of conventional weapons and to promote transparency. It also provides for an agreement enabling Latin America to be declared a zone free from air-to-air missiles beyond visual range and from medium and long-range strategic missiles.

In addition to these provisions, the Andean Charter also contains commitments aimed at consolidating regimes for the banning of chemical and biological weapons and for the eradication of illegal trade in firearms, ammunition, explosives and other related materials.

In support of these initiatives, Peru has backed moves in the General Assembly of the United Nations to declare the Andean sub-region and South America as a whole peace zones.

With reference to its frontier relations, Peru is in favour of measures to foster renewed trust, including the establishment of security zones – or zones of mutual trust – in border areas, ensuring that the number and strength of military units and detachments match the requirements of peaceful, co-operative security relations. Meanwhile, Peruvian diplomacy is committed to initiatives to limit weapons on a multilateral, regional or sub-regional basis. It likewise supports the introduction of standard methods for measuring defence spending as well as the proscription of any kind of arms race in the region.

7. Policy for reforming consular services and for the protection of Peruvians overseas

Consular services and the policy for protecting Peruvian communities overseas have been fully improved. The changes made come in response to the major transformation that has taken place in recent decades in the make-up and distribution of Peruvian communities abroad. In line with global trends in migration from developing countries, Peruvian communities overseas have grown considerably and are now mainly concentrated in big cities in developed countries and in neighbouring countries. In this context, the previous paradigm for the provision of consular services (performed by a “Prefect-Consul”) has become obsolete and dysfunctional. In replacing it, the foreign policy of the democratic State has sought to create a regime for the provision of consular services based on the paradigm of “Civil Servant Consuls.”

The phenomenon of global migration has acquired novel characteristics in present-day international relations. Advances in communications and the globalisation of economic and cultural trends have shortened geographic distances. It is estimated that 10 million people were expatriates in 1965. Ten years later, the figure had risen to 84 million. It rose further to 105 million in 1985, reaching 120 million in 1990. By the year 2000, the number of international migrants, voluntary migrants and refugees included, was estimated at 150 million.⁶

⁶ See ALTAMIRANO, Teófilo & CARDENAS, Gerardo. *Migración Peruana al Exterior: Resumen ejecutivo de los trabajos de investigación por encargo de la Organización Internacional para las Migraciones (OIM)*. Lima, March 2003.

Peru has not remained untouched by this global trend in migration. Indeed, as a number of surveys indicate⁷, the pace of emigration has increased in recent decades. Approximately 7% of Peruvian citizens are now migrants. According to figures for 2002, 1.87 million Peruvians out of a total population of 26.75 million inhabitants are now resident outside the country.⁸

The problems raised by migration in the global order can be summarised in the following points:

- a. The legal predicament or status of migrants in the receiving country;
- b. Illegal traffic in persons;
- c. Respect for the human rights of migrants, taking into account expressions of xenophobia and discrimination in the receiving countries;
- d. The place of migrants in the labour market and production systems of the receiving societies;
- e. Culture shock resulting from the encounter migration provokes of dissimilar sets of values in the countries of origin and receiving societies;
- f. Maintenance of migrants' ties with their countries of origin.

With regard to the economic impact of migration, according to data supplied by the Inter-American Development Bank (IDB), it is estimated that in 2002 repatriation of income by Latin American and Caribbean communities to their countries of origin totalled US\$ 32,044 millions. This figure was practically the same as the influx of foreign capital into the region in that year in the form of foreign direct investment. Moreover, these repatriated earnings far exceeded the sum total of foreign aid labelled as official assistance for development. According to the same source, such remittances accounted for at least 10% of GDP in six countries in Latin American and the Caribbean: Nicaragua (29%), Haiti (24.2%), Guyana (16.6%), El Salvador (15.1%), Jamaica (12.2%) and Honduras (11.5%). If remittances to Latin American and the Caribbean continue to grow at a very conservative rate of 7% per annum, the IDB reckons that by the year 2010 the aggregate figure will have reached US\$ 400,000 millions.⁹

⁷ Altamirano, op. cit., p.3.

⁸ Source: INEI (National Statistics & Data Institute). *Compendio Estadístico Perú 2002*.

⁹ Inter-American Development Bank (IDB). *Sending Money Home: An international comparison of remittances markets*. Washington DC, February 2003.

The previous paradigm of the Prefect-Consul had become dysfunctional in performing the State's duties towards its nationals. In replacing it, a need was felt to flesh out a paradigm for a "Civil Servant Consul" attuned to the new foreign policy designed to protect nationals resident abroad. In this new scheme taking shape in the wake of the restitution of the rule of Law and the revival of democracy, consular staff's duties are to citizens, their most important tasks being:

- to provide protection and assistance for expatriate Peruvian nationals;
- to offer efficient, opportune services resulting from consular reform;
- to serve as a cultural and economic link for Peruvians resident abroad with their country as a whole and with their communities of origin in particular.

The creation of a Sub-secretariat for Peruvian Communities Abroad is the starting point for the structural modification to consular foreign policy and the establishment, for the first time in the country's history, of state action directly aimed at protecting and maintaining constructive links with Peruvian nationals living outside Peru. This is the rationale behind the priority the Foreign Office ascribes to restructuring consular services to assist and provide communication with expatriate Peruvian communities.

In the new scheme of Peru's foreign policy, the purpose of consular work is to provide protection and to promote the interests and rights of Peruvians overseas. Consular action should likewise provide expatriates with a link to their country of origin, concentrating on efficient repatriation of funds to promote the country's development. This implies a new model for the administration of consular services that will allow Peruvians overseas to assist the State in drafting and implementing policies of direct interest to them. In other words, one of the mainstays of the consular administration of the democratic State of Peru must be active participation of expatriate Peruvian nationals.

The new policy of consular reform and protection of expatriate Peruvian citizens is implemented by means of seven programmes: consular reform and administrative streamlining; legal protection; humanitarian assistance; support for the productive, legal placement of migrants in receiving societies with due respect for their human rights; promotion of

the renewal of cultural and national links with Peru based on acknowledgement of the country's multiethnic, pluri-cultural make-up; renewal of productive and economic links with Peru; and promotion of citizenship and democratic participation in political life both in Peru and in the receiving society.

8. Toward an integrated model of external management of the Peruvian State and a decentralised approach to implementation of foreign policy

One of the most complex problems impairing the efficacy of foreign policies in Latin America has been and still is what Marcel Merle refers to as "the dismembering of the executive branch,"¹⁰ i.e. fragmented management of foreign policy. This is the result of the encroaching competency of sectors other than the Foreign Office in various spheres of the State's foreign relations. In practical terms, this sectorisation of foreign policy has engendered a lack of coherence and consistency in the handling of foreign affairs. To avoid and overcome this shortcoming, an endeavour is being made to provide effective co-ordination and harmonisation of sectorial policies in the international sphere so as to achieve a single approach and integrated praxis in the handling of the State's foreign affairs.

At the same time, Peru is introducing a decentralised approach to foreign policy on two levels. On the one hand, with regard to internal agents, propitiating the participation of the State's other branches of power (the Legislative and Judicial branches, as well as civil society, regional and local governments) in the formulation and implementation of foreign policy. On the other hand, a decentralised approach is being adopted in identifying Peruvian diplomacy's foreign interlocutors. This includes not only relations between sovereign States but a supplementary option to establish relations between the Peruvian State and decentralised political units in other countries. In the case of Brazil, for example, direct links are being established with governors of neighbouring states along the frontier between Peru and Brazil.

¹⁰ See Marcel Merle. *La politique étrangère*. Paris, 1984.

Closing remarks

In analysing the history of Peru's foreign affairs, Jorge Basadre made a statement that holds true for the past. Basadre said Peru's foreign relations have been the upshot of its often conflicting domestic and external tensions. In view of this historical predicament, Peru's present foreign policy seeks to strike a balance between development and the consolidation of the nation, between the affirmation of its historical-cultural identity or personality and a form of engagement in the global process that promotes development with social cohesion, based on Peru's membership of the Andean Community and location in South America. This balance strives to express itself in the previously non-existent stability among external and domestic features of Peruvian policy. To paraphrase Jorge Basadre, in the context of globalisation, Peruvian diplomacy endeavours to ensure that the interrelation of internal and external variables no longer leads to confrontation marked by continual tension. Rather, it is designed to be a process of intermeshing interests that underpin stable institutional democracy and forge a development model combining competitiveness and social cohesion. ■■■

The foreign policy of the Republic of Suriname

Maria Levens *

En formulating and implementing the foreign policy of the Republic of Suriname, the achievement of the national development goals of this country receives prime attention.

In this regard the existing relations on the bilateral, regional and multilateral level that can contribute significantly to the achievement of the national development goals of Suriname receive primary attention, while the identification and establishment of potential relations from both a political and economic perspective also constitute the Surinamese foreign policy strategy.

In implementing the foreign policy of the Republic of Suriname special consideration is also given to the common international values, norms and standards that should guide relations between states.

Therefore, reference may be made to, among other things:

- respect for the constitutional state and democratic principles that are internationally applicable;
- non-interference in internal affairs of other states or mutual respect for national sovereignty;

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- advancing harmony, peace, stability and cooperation with our neighboring countries, the countries of origin of our peoples, and all other countries in the world;
- observance of human rights;
- protection of the environment and implementation of sustainable development.

By means of intensifying relations on the bilateral, regional and multilateral level efforts are made to realize mutual objectives, whereby the advantages arising from economic and social development as well as the aspirations of the People of Suriname, are basic elements.

In view of the above, the foreign policy of the Republic of Suriname with regard to bilateral relations is aimed at strengthening existing relations of cooperation as well as promoting, expanding and developing new relations between Suriname and other friendly nations. The participation in sub-regional, regional and multilateral integration processes and in international organizations, in which the promotion of issues of mutual interest are fundamental, should also be considered within this scope.

Diversifying our relations is also one of the key objectives of Suriname's foreign policy, this in view of the international developments that have been taking place in the past decades, and that constitute yet another challenge for small economies to survive in the current international economic constellation.

As a result thereof, the intensification of the cooperation on the bilateral and regional level between Suriname and friendly and strategic partners extends primarily to the countries of the South American continent, the entire western hemisphere and countries in Europe and Asia.

If we focus our attention on the western hemisphere special reference should be made to the relations between Suriname and the Federative Republic of Brazil, the Bolivarian Republic of Venezuela, Guyana, the United States of America, Canada and Mexico. Suriname maintains special bonds with these countries as to strengthening its economy, cooperating in the field of technical development and realizing common objectives of various natures.

With regard to the relations between Surinam and Brazil it is worth mentioning the positive results that are already manifest as a result of the intensification of the bilateral relation between both countries.

Special reference, in this context, can be made to the commercial link that is currently flowering due to the establishment of a direct shipping line connection between Suriname and Brazil, which is facilitating the export of agricultural products to the northern market of Brazil.

As a result of the intensification of the relation between Suriname and Brazil, both countries are also working closely in other areas such as e.g. education, the fight against cross border crime, justice, health protection and sustainable development, while on the political front cooperation is reflected by Suriname's support to Brazil's efforts to become a permanent member of the UN Security Council.

In the Caribbean region the relations with the Caricom and ACS (Association of Caribbean States) countries also deserve special mention when taking into consideration the intensity of the cooperation and the process of subregional integration.

Suriname's participation in the Caricom should be seen in the context of its efforts to promote economic development through strategic partnerships with countries such as Cuba and the Dominican Republic, while a free trade and economic agreement with Costa – Rica is also being considered.

Through Caricom membership, Suriname is also taking steps to increase its international presence and involvement in international organizations, in order to, among other things, effectively express its vision on issues of concern.

As to the European countries the relations between Suriname and the United Kingdom, Belgium, France, Italy, Russian Federation, Germany and the Netherlands may be underlined.

Considering the importance of the Asian continent in the world economy, Suriname aims at strengthening relations with various countries on this continent.

The priority partners on the Asian continent include China, Japan, India, Indonesia, Malaysia, and South Korea. Suriname maintains bilateral relations with these partners in the financial, economic, trade, political and, especially, technical and cultural fields. This takes place either by means of bilateral contacts or through the existing treaties between these countries, and the Caricom and ACS-organizations of which Suriname is a member.

Suriname's participation on the sub-regional and on regional level must be considered on the basis of the fact that up till today, in view of global

developments, no country has been spared the consequences of the events of the recent past.

In this respect, reference can be made to the erosion of preferential and special treatment of small economies as well as to the international trade negotiations and developments that are taking place internationally and that have already given birth to the blocks that have emerged between countries with geographic proximity, namely e.g. Nafta, Mercosur, EU, Caricom.

Bearing these facts in mind the foreign policy of the Republic of Suriname, in particular the economic approach towards regional integration processes, has been adjusted in accordance with the latest developments so that the challenges that present themselves due to the formation of blocks, may be adequately addressed.

The participation of Suriname in other integration processes extends even further to the Treaty on Amazonian Cooperation, which should be considered a reflection of our commitment to the protection of the environment, the promotion of sustainable development and the economic and social security of the people.

In addition, the integration policy of our Government is aimed at adjusting the contacts with Mercosur to the new reality of block formation in order to establish relations of cooperation and give new dimensions to the relations with Mercosur member countries, in particular Brazil, since intensified relations create possibilities for trade and investment.

The signing of the Memorandum of Understanding between Suriname and Mercosur in 2000 should be seen as a first step in that direction.

Establishing linkages between existing integration processes is also one of the objectives of the integration policy of the Surinamese Government.

In view of this and considering the possibilities and beneficial opportunities that will emerge as a result of the integration efforts with countries in the region, Suriname stresses the importance of the strengthening and development of relations with the countries that are part of the Arco Norte project as well as with the countries that participate actively in the Iirsa project for the integration of the physical infrastructure, the energy and communication sectors.

Considering our geographical location in the north of the South American continent and our membership of Caricom, Suriname aims to establish a link

between the Caribbean region and the rest of South America, and also between the Caribbean region, North America and Europe in order to facilitate commercial flows between these regions.

The efforts of our Government to realize the physical integration in the South American continent must also be viewed within the scope of expanding its commercial and trade relations.

However, Suriname considers the elimination of economic inequalities between developed and developing countries as well as the improvement of market access and access to financial sources and technology, as a basic requirement in order for especially developing countries to benefit from the intensified participation in integration processes.

The participation of Suriname in the Ftaa negotiations in connection with Caricom reflects our efforts to avoid becoming isolated by developments of which no country has been spared the consequences. In this regard Suriname, together with the Caricom and ACS countries, devote special attention to the effects of recent developments on the national economy, especially the economic and social consequences emerging from globalization. Therefore, safeguarding the small and vulnerable economies will be the key element in minimizing the negative effects.

The participation of Suriname in various international organizations, our commitment to various international Treaties and Agreements as well as the intensification of the relations with countries outside of our region, must be viewed within the scope of the globalization process that is characteristic of the international arena at present, and which also reflects the growing interdependence between States as a result of the developments to which the foreign policy of the Republic of Suriname has had to respond, namely, uncontrollable movement of peoples, economic interdependence, cross-border activities, to name just a few.

On ACP level, through the cooperation between countries from the Caribbean region, Africa and the Pacific, efforts are made for safeguarding economic interests that are evident from, among others, the development cooperation that exists between the ACP and EU.

Within the scope of the ACP-EU relations the foreign policy of the Surinamese Government is further aimed at using the advantages arising from

the EPA's for the benefit of poverty control through trade and economic cooperation.

The bonds between Suriname and the African continent manifest themselves in the multilateral cooperation on the level of G77 and bilateral relations.

Suriname also actively participates in the UN and OAS, organizations that tackle a range of issues of global and regional nature through joint efforts.

Suriname, through its participation in these organizations, aims at realizing several objectives that are of national importance, including:

- protection of human rights (racism, discrimination, gender, child protection);
- sustainable development and environmental protection
- poverty control;
- terrorism control and maintaining peace and security;
- safeguarding the constitutional state and democracy.

The protection and promotion of the Fundamental Human Rights as well as guaranteeing the socio-economic, political and civil rights are also part of the objectives of the Surinamese Government. This is evident from our commitment to protecting women and child rights on the same level as the UN, dealing with the issues of child labor, child trafficking, child prostitution and unequal rights towards women.

Therefore, Suriname is also party to the Inter-American Convention on the Prevention, Punishment and Eradication of violence against Women (Cedaw) and the Treaty of Belem do Para, which is an indicator of our commitment to the protection of human rights and the pursuit of equality in the world.

Directly linked to the protection of human rights is poverty control that is often the root of the violation of human rights.

The social development policy of the Surinamese Government is, therefore, aimed at promoting the social welfare of society through participation on the multilateral level and in international organizations via international cooperation programs.

The efforts of Suriname in the Undp must, therefore, be seen within the scope of the above.

The signing by Suriname of the Millennium Development Declaration on poverty control and the complete eradication of poverty is evidence of our commitment to this global issue that constitutes an obstacle to the development of many countries in the world.

With regard to environmental issues Suriname participates not only in the Treaty on Amazonian Cooperation but also signed the Stockholm Convention on Persistent Organic Pollution.

In undertaking demarches for the benefit of the growth, well being and welfare of our country, we are vigilant that objectives are not realized at the expense of the environment but that economic growth takes place bearing in consideration natural, environmental and social conditions.

The involvement and role of international organizations as well as NGO's must not be underestimated in this regard.

With reference to peace and security it is well known that security and stability are necessary requirements for further development and socio-economic stability.

One of the objectives of our foreign policy is, therefore, to contribute to the promotion of peace and stability in the world, which is propagated on OAS and UN level, and is evident in the approach of the border issue between Suriname and Guyana in which a peaceful solution is being pursued.

In maintaining peace and security in the world Suriname supports all countries that commit themselves to the control of international violence and terrorism that are a real threat, not only to countries where the activities physically take place but also to the national security of countries that are more or less involved by international terrorism networks due to the cross-border character thereof.

For that reason, Suriname is party to the international treaty on terrorism, the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and their Destruction and the Inter-American Convention against Terrorism, the legislative instruments on the control of terrorism and maintenance of peace and security in the western hemisphere and in the world.

In the field of terrorism Suriname is taking the measures that could assist in bringing its laws in accordance with the international regulations aimed at tightening the financial inspection, especially inspection of unusual national and international financial transactions, as well as border control.

It may be noted that the above takes place pursuant to the observation that nowadays international security is not only affected by military threats but mainly by narco trafficking, criminal activities, transnational organized crime, intensified migration, etc., which only highlights the need for the establishment of a broader common approach on maintaining peace and security in the world.

Suriname is of the opinion that, in view of the multidimensional, international and cross-border character of crime, cooperation between all countries in the world is vital in order for this problem to be tackled adequately.

With regard to the protection and promotion of democracy and good governance Suriname, on OAS level, fulfills its obligations through the acceptance and execution of points of action as laid down in the Inter-American Democratic Charter.

The acceptance of the Charter of Civil Society for the Caribbean Community in 1997 by Suriname, which relates to the promotion of good governance as well as the observance of internationally acknowledged rights and the representative democracy must be considered in this light.

For our country it is a given that the strengthening and preservation of the democracy and democratic legal order is essential in shaping a peaceful and stable society in which development possibilities are best served.

Suriname's commitment to facing global issues and threats should not be underestimated, however, in view of the unavoidable challenges that arise as a result of inter alia the globalization process, it is of great importance that small economies be given the opportunity to benefit from the increase of income and global wealth, while special mention must be made that the international community should fulfill a supporting role in tackling the harmful effects of globalization.

The prevalence of an international community that is supportive to the development efforts and needs of developing countries and that contributes to the establishment of an international atmosphere of cooperation, is pivotal to effectively face the challenges that arise as a result of the increased movement of capital, people, goods and the menaces of poverty, international terrorism, etc. ■■■

The Uruguay's foreign policy¹

*Didier Opertti Badán **

Initially, it should be stated that the present article is confined to my country's present-day foreign policy since any attempt to summarise its historical evolution would require greater effort, scope and space than the present study allows.

On the other hand, if one's purpose is to provide an overview of the guidelines of this foreign policy, it is evidently all the more reasonable to take them as the starting point, illuminating them with some reference to the past where necessary.

A fortiori, I trust the reader will forgive the summary nature of this exposé. It will, nonetheless, seek to transmit the key components of a policy forged by a set of Basic Principles, Objectives, Scenarios, Strategies and Players. We shall thus focus on these features using an approach that is neither theoretical nor abstract but rather normative (in the case of the first two components) and that arises from the issues themselves (in the case of the remainder) without failing to stress the strategic aspect.

In full awareness of the prime purpose of the present publication, we shall likewise explain our outlook on the present international scenario without losing sight of the fact that as Foreign Minister the opinions expressed herein

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¹ Author's note: condensing Uruguay's foreign policy and international standing into 20 pages entails considerable summarising and runs the risk of reductionism, which I submit to the reader's consideration.

are grounded in the policy adopted by the present Government of Uruguay. This is the policy the President of the Republic has drafted in collaboration with the Minister of Foreign Relations (pursuant to Art. 168, introit, of the Constitution) and repeatedly laid before Parliament (2000-2004).

In this sense, issues such as integration, Mercosur, its merging with the Andean Community and the possible role of the Latin American Integration Association (Aladi) could not fail to be addressed.

Similarly, in the short term at least, foreign negotiations such as those between Mercosur and the European Union and even those concerning the Ftaa (however different the perspectives may be) continue to play a significant part in our foreign policy without in any way diminishing bilateral undertakings.

The current Doha Round undoubtedly deserves a larger chapter in Uruguayan foreign policy. This is not solely on account of the content and far-reaching implications of this attempt to regulate international trade in a fairer, more even-handed and equitable fashion. More than that, it is because this new Round is an affirmation of multilateralism, which – regardless of the details – has regained undeniable prominence at the WTO in Geneva.

Proposals for reform of the United Nations that Secretary-General Kofi Annan has entrusted to a select Panel of Eminent Personalities demand special attention on our part, particularly with regard to membership of the Security Council, the Council's relation to the other UN bodies such as the General Assembly and the Economic & Social Council, the way these other bodies relate to the Secretary-General and even to States contributing to Peace-Keeping Operations.

Regionalism and universalism, globalism and integration are often dichotomous notions. In our opinion, the international community should strive to reconcile them in different scenarios by employing its own instruments.

I. Basic principles of Uruguayan foreign policy

- 1) Uruguay's Foreign Policy is firmly grounded in the 1967 Constitution, revised in 1996. The Magna Carta enshrines certain general principles and ground rules stemming essentially from laboriously attained historical-political consensus. Foreign Policy is based on the overriding

- principles of Sovereignty of the Nation (Art. 4) and full adherence to the rule of Law (Section II, Rights, Duties and Guarantees). For its part, the Nation has adopted the “republican democratic form of government,” exercised directly by an “Electoral Body in cases of election, initiative and referendum, and indirectly by means of the representative Powers established in this Constitution; all pursuant to the rules stipulated herein” (Art. 82).
- 2) Similarly imbued with the force of norms comprising the Nation-Sovereignty nucleus (*de facto* bedrock principles) is “the clause stating that all differences arising among the contracting parties shall be settled by arbitration or peaceful means.”
 - 3) On a par with this precept is a mandate that has attained irrefutable political force: “The Republic will endeavour to bring about the social and economic integration of Latin American States, especially with regard to common defence of their products and raw materials. Moreover, it will move towards achieving effective complementary provision of public services” (Art. 6).
 - 4) As a State of Law, in the realm of Rights, Duties and Guarantees – the veritable backbone of the Constitution – Uruguay bases its presence in the international community on principles of public and private freedoms, countenancing no other distinction among people than their “talents and virtues” (Art. 8). This is an eloquently effective check on all forms of discrimination.
 - 5) Hence, Uruguay’s Foreign Policy cannot neglect these Principles however much the foregoing may at times appear to be theoretical or, by overstatement, rhetorical. Far from it, they serve irreplaceably as compass bearings and co-ordinates that convert our external conduct into acts on the part of a *country*. The in turn together comprise a policy of State, with all that that implies in terms of commitment of the entire political spectrum to these principles.
 - 6) None of this in any way inhibits correct interpretation of reality, be it regional or sub-regional, hemispheric or global. At the same time, however, one should not lose sight of the time it took to forge our country as an autonomous, independent State virtually throughout the 19th century. This was the period when Uruguay’s sovereign limits

were established and its political frontiers drawn, particularly with regard to our neighbours, Argentina and Brazil, with whom we were soon to weave a dense, profound web of relations informed by necessary, inexorable priorities arising out of integration.

- 7) Naturally, a corollary of the principle of independence is equality of sovereignty among States, with all the effects and consequences that implies.

Assuredly, none of these principles can be neglected or left aside as this would be tantamount to a derogation of the constitutional mandate and constitute a break with the Republic's most precious historical asset, plunging into crisis the so-called "foreign policy of the State." In this respect, it is opportune to bear in mind that this commitment was established and consolidated following a period of crisis for Uruguay's democratic institutions (1973-1984).

The international commitments to which Uruguay has freely subscribed under the United Nations system (particularly those enshrined in the UN Charter), under the inter-American system (laid out in the Bogota Charter of the Organisation of American States-OAS) and by means of other basic instruments merely reaffirm such principles. On an international level they are made manifest in the form of non-intervention and self-determination with unerring respect for International Law.

- 8) It could thus be said that in terms of the basic principles of Uruguayan Foreign Policy there is a consolidated body of precepts and mandates with which the Executive Power must comply in decision-making and the Legislative Power in exercising political control, more specifically when it comes to "Declaring war and passing or rejecting by an absolute majority of votes by the members of both Houses peace treaties, alliances, trade agreements and conventions or contracts of any nature that the Executive Power may celebrate with foreign powers" (Art. 85, subsection 7).
- 9) The competencies mentioned above have been the subject of supplementary legislation, the most important being the Law on the Republic's Foreign Service (Law no. 14,206), which basically describes the way it is to be organised, particularly with reference to appointments of special trust (Art. 168, subsection 12).

There is certainly no point in going into any detail on this here except to say that the Law stresses the professional nature of the diplomatic career, providing for a modern, effective service that guarantees continuity in the handling of international affairs.

True to our opening remarks, let us proceed directly to the concrete issues of current Uruguayan Foreign Policy.

II. Core issues of our foreign policy

i. Uruguay in Mercosur

10) In dealing with this issue certain points need to be stated clearly:

- a) In signing the Assunción Treaty and the subsequent basic Protocols (including the OuroPreto, Brasília and Olivos Protocols) Uruguay complied with the provisions of Article 6 of the Constitution, referred to above.
- b) The same constitutional provision covers the agreements Mercosur drew up with the Andean Community in December 2003, since it includes the “Latin American States.”
- c) Uruguay’s Constitution envisages “social and economic integration,” which means that other dimensions such as political integration, for example, will require a prior constitutional amendment.

On this issue, it is not a matter of raising a theoretical debate but rather of pointing out that the fundamental political pact enshrined in the Constitution (as is the case with Constitutions in many other countries) cannot be side-stepped by institutional or organic developments, albeit stemming from the bodies of Mercosur itself or similar institutions.

This is the (paradigmatic) case of a prospective Mercosur or Latin American or South American Parliament if a new legislative body with supra-national powers is to be created, powers that override the legislative norms of our own Parliament, based either on the principle of legal competence or on that of hierarchy, which (alongside derogation) are the ground rules of any juridical order.

Whatever denomination may be chosen (undoubtedly an important matter), the proposals submitted by Mercosur member states – mainly Argentina and Brazil – are of the greatest concern to us, especially as they may provide an adequate response to public opinion on which it is expected Mercosur will be founded. In this respect, enhancement of the competencies and operation of the Joint Parliamentary Commission seems an appropriate way forward, all the more so bearing in mind the attributions the Ouro Preto Protocol ascribes to it, entrusting it with the following tasks: “speeding up the corresponding domestic procedures in the Member States for prompt enforcement of the norms emanating from Mercosur bodies;” helping to “harmonise legislation;” and examining “priority issues” at the behest of the Mercosur Council (a co-operation agreement has been signed by both bodies to this effect). These powers are all set out in Article 25 of the Ouro Preto Protocol in addition to the prerogative of submitting “Recommendations to the Common Market Council through the offices of the Common Market Group” (Art. 26).

We should therefore continue to analyse this matter without introducing extraneous interpretations or issues that might otherwise make it more difficult to obtain the necessary consensus – the golden rule upon which the entire institutional architecture of Mercosur is founded.

- 11) The idea of a new Latin American institution encompassing more than Mercosur to include other countries in South America has not yet taken the shape of a formal proposal contained in a negotiated project. The mere fact, though, that it has and continues to figure in the public discourse of Heads of State of Mercosur member countries lends it singular importance.

We must realise that however much Latin American integration constitutes a socio-economic model with an emphasis on trade, it has become part of an essentially political, hence transcendent, dynamics. It is therefore our duty to address this issue squarely, pointing out that it raises a wider debate that would have to start out from such basic questions as the preparation for this debate, the political-institutional implications of the idea, the scenario in which it is to be examined and debated, indispensable consultation of public opinion for decisions of such magnitude, the time-span required for achieving the necessary scope and content in view of the “foundational” nature of this initiative, which is permanent, not circumstantial, and more historical than ideological, etc.

- 12) It is worth recalling that South America together with Cuba and Mexico already form a Latin American Integration Association (Aladi), the only integration organisation encompassing Mercosur and the Andean Community in addition to Chile, Cuba and Mexico. Aladi could well serve the purpose of furthering intra-regional liaison on trade, services and infrastructure, scientific-technological co-operation, socio-cultural integration, engaging and serving other active agents of integration such as workers and the business community, without running the ever-present risk of institutional overlapping.

In this frame of reference, notice must also be taken of Iirsa (Initiative for the Integration of Regional Infrastructure in South America), which can already boast a concrete project encompassing communications, transports, energy, and so forth. My country devotes special attention to Iirsa submitting specific proposals for the initiative. Moreover, all the parties to it expect to see tangible results ensue.

- 13) Uruguay's foreign policy takes full account of the opportunity and magnitude of these issues. For this very reason, it holds that considered prior analysis at the levels of co-ordination that this proposal implies is a *sine-qua-non* condition for making headway.

Forums such as Mercosur (*strictu sensu* and expanded) together with the Andean Community, in the framework of broader regional integration (Aladi), are appropriate for performing this task – all the more so as the institutional instrument already exists, there being no need to create one.

- 14) Since the creation of Mercosur to the present day, without interruption, Uruguayan foreign policy has made institutional consolidation one of its prime objectives, demonstrating its commitment through active participation at Assunción, Ouro Preto and more recently in the discussion and drafting of the Olivos Protocol. This has fortunately culminated in the official installation of Mercosur's Permanent Review Tribunal in Assunción (13 August 2004). Another relevant improvement is the transformation of the former Administrative Secretariat (SAM) into a Technical Secretariat or plain Mercosur Secretariat (Decree no. 30/02). An excellent report on the competencies of and prospects for the new Secretariat entitled "An

approach to the Process of Regional Integration” (Montevideo, July 2004) has recently been prepared.

- 15) We have likewise contributed to the recent creation of the Commission of Permanent Representatives-Coreper (Decree 11/03 of 6 October 2003). The Coreper Chairman has been given a relevant role in helping to further the development of regional integration. The Commission itself, meanwhile, is to be a diplomatic forum, of a political nature, providing a hierarchy for diplomatic representation of the Member States in the regular operation of Mercosur, in liaison with the bodies to which it is attached.
- 16) In trade matters, suffice it to observe our constant quest for formulas in agreements on a wide range of issues to attest Uruguay's commitment to Mercosur.

Purely for the sake of illustration and because they are recent examples, mention should be made of the agreements drawn up with the Andean Community (December 2003), the clear, sustained defence of the need to address disparities among Member States of Mercosur, our position at Puerto Iguazú (July 2004) in favour of the Free Circulation of Goods and Production Processes – the latter resolutions not yet approved by all four member states – in addition to a wide range of solutions contained in the legislative repertoire recorded by the Secretariat.

- 17) With regard to the urgent macroeconomic adjustments in which the Ministries of Economics & Finance and the Central Banks are engaged, Uruguay has submitted ideas and proposals. Indeed, it has been part of our foreign policy to encourage this process as a vital means of securing stability as integration progresses, the aim being to protect against traumatic changes, for which there have been traumatic precedents in the region.
- 18) In brief, Uruguay views Mercosur as an instrument of integration to which the country is committed by effective constitutional mandate. This has led us to take an active part in the different Mercosur bodies and to adopt a serious, responsible attitude towards all levels of negotiation and decision-making, including any decision to expand the bloc's membership.

In respect to the latter, the association of Peru and Venezuela is a relevant milestone, as is the intention to join Mercosur made public by the Government of Mexico at the recent Puerto Iguazú Summit.

Besides economic and basically trade-tariff norms, Mercosur's *corpus juris* includes definitions of a political nature like that of the Ushuaia Protocol on the issue of democratic commitment. My country ascribes the greatest importance to this aspect, which has proved to be highly relevant in certain situations facing one or other of the Member States.

It should be stressed that this institutional commitment provides valuable international identification as it reveals how politically mature Mercosur has become, placing it on an equal footing with organisations such as the European Union, for instance, in line with the 1994 Madrid Treaty.

- 19) Finally, Uruguay's Ministry of Foreign Relations entertains well-founded expectations concerning the need for an opportune review of the Ouro Preto Protocol. In this context, it reiterates its willingness to co-operate in fashioning what was referred to at Puerto Iguazú as "Ouro Preto II." Not only does this mark the tenth anniversary of the Protocol but it is also the most propitious moment to upgrade certain changes made by means of Resolutions or Executive Decisions that may have insufficient legal grounding. New elements can then be introduced to provide Mercosur with a more effective legal instrument as well as a more realistic political and institutional outlook.

Our Foreign Ministry is currently working on this issue and will shortly be in position to submit its ideas on the matter for its partners' appreciation.

ii. Mercosur and its external relations

- 20) Under this heading, to keep it brief, I shall proceed to list the following undertakings:

- 1) With the European Union: these will negotiations take several years to complete and, although it could be said that the aim of achieving a trade liberalisation agreement has not been abandoned, the situation on the ground has dramatically revealed certain major obstacles to accomplishing that goal.

Among them, one is to our mind of the utmost significance: the status of affluent societies ("welfare state") attained by European countries (albeit restricted to the Fifteen) and strongly sustained by protectionism, especially in the field of agriculture, has become for them a virtually unalterable or untouchable point. Meanwhile, the countries of Mercosur essentially strive to attain or recover decent basic living standards by the most legitimate means possible, i.e. by placing quality exports on the international market at competitive prices.

Quite simply, this is the predicament we face.

Nevertheless, certain subsidiary factors that may well affect the outcome of the negotiations, should they be successful. These factors are as follows:

- a) The evident caducity of the European protectionist model, under pressure at home from consumers and tax payers and abroad owing to recent advances in the Doha Round in the arena of the WTO General Council, an issue we shall come back to shortly.
- b) The insufficiently gauged impact of new members joining the European Union.
- c) From a positive point of view, the outcome – at least in terms of declarations – of the Guadalajara Summit in May this year, the first to bring together the new 25-member European Union and the 33 States of Latin America and the Caribbean. It has provided a common fund of values and co-operation distinct from those apparent on previous occasions to the extent that the Europeans present at the negotiating table are no longer all rich countries. This has made for more equitable, balanced dialogue.

On the other hand, the expansion and the consequent expectations and rights of the new EU member may lead to negotiation processes that are not exactly favourable to Mercosur and Latin America, whose member states are so seriously hampered by poverty and exclusion.

- d) The imminent expiry of the mandate of the present European Commissioners, which lends the October deadline for completing inter-regional negotiations a personal touch while also signalling the closure of an unquestionably relevant phase.
- e) Better knowledge of demand and supply, the product not only of time spent in negotiation but also of progressively closer relations

that enable both parties to set strict limits to what can and cannot be negotiated.

On this point, Uruguay recognises that the bigger economies of Mercosur (Brazil mainly and also Argentina) will pay the highest price for opening their markets to the industrial goods and the services the EU has to offer.

Likewise, it cannot be denied that since Europe is the biggest foreign investor in Latin America (investing more than 222,000 euros in 2003 alone) it is entirely logical that we should seek to improve the state of our economies as a pledge and guarantee of social and political stability. The contribution that the opening of European markets to our exports can make in this respect is indisputable.

In any case, growth in intra-regional trade (substantially higher in the EU than in Latin America and therefore in Mercosur) will continue to be an objective we must work towards. Only 33% of Uruguay's exports in 2003 went to Mercosur countries whereas exports to Nafta and EU countries leapt from 24% to 42%.

This explains the high store we set by a merger of Mercosur and the Andean Community.

Finally, we reckon that there are sufficient political and economic interests on both sides to warrant believing that "at the end of the day" we shall bring these excessively drawn-out negotiations to a satisfactory conclusion.

2) With the Andean Community: After several years of negotiation, a trade agreement has finally been reached, without relegating the importance of institutional advances such as the acceptance of Venezuela as a Mercosur Associate State, and the signalling to Colombia and Ecuador that they will also be accepted should they so request. Beyond the Andean Community, there is the invitation to Mexico to attend Mercosur meetings until the respective trade agreements have been signed.

Trade negotiations with the Andean Community (CAN) commenced on 16 April 1998 with the signing of a Framework Agreement between the two blocs. This was a formal token of a commitment to negotiate a Free Trade Area encompassing Mercosur and CAN.

Following lengthy negotiations, a new Mercosur/Andean Community Framework Agreement was signed at the Brasilia Summit in December 2002. The aim was then to conclude negotiations for achieving a free trade agreement,

a deadline being set for 31 December 2003. An agreement was eventually reached by 16 December 2003 in Montevideo.

It was in this context that the initiative of a Free Trade Area within the Latin American Integration Association (Aladi) arose. The idea was to proceed on the basis of work carried out by an informal group comprising all the delegations.

A ministerial-level meeting was held in Montevideo on 4 August 2003. This provided the necessary political drive to prepare Economic Complementation Agreement No. 59 between Mercosur and Colombia, Ecuador and Venezuela (all members of CAN), duly signed on 16 December 2003.

For its part, Uruguay has concluded negotiations on all its outstanding issues, as have all the other signatories except Paraguay and Ecuador, which will continue negotiating until the deadline.

On 12 August the Delegations of the respective *pro-tempore* chairs (Brazil and Venezuela) submitted a note to the General Secretariat of Aladi requesting commencement of the procedures for protocoling an Agreement.

It should be stated that the Delegations have pledged to extend current Bilateral Agreements until Mercosur-Andean Community ECA No. 59 comes into force.

3) In the sphere of the Ftaa: Little has happened at the level of global negotiations since the Miami meeting at the end of last year though progress has been made at bilateral level and groups of countries are promoting on-going negotiations between the United States and Latin American countries.

In the realm of Mercosur *strictu sensu* no new chapters have been opened of concerted action in this scenario. Besides other factors, this is largely due to the protracted elections in the United States.

Nonetheless, the advances made in the Doha Round and the possible outcome of negotiations between Mercosur and the EU will necessarily affect all spheres of external trade negotiations in our region, Ftaa included.

4) Mercosur and third-party States: bilateral relations

It is important to mention the different fronts on which negotiations are taking place.

A) Merocsur – Bolivia

In the context of these negotiations, Uruguay has accepted the initiative to bring forward the schedule and raise the present level of deregulation (Economic Complementation Agreement No. 36) whenever this is a reciprocal arrangement.

B) Mercosur – Chile

At the LIV Meeting of the Common Market Group (CMG) Uruguay undertook to work for the internal approval of the Protocol for the Settlement of Controversies.

It should be mentioned that a meeting of the Administrative Commission of Mercosur-Chile ECA No. 35 is scheduled for September.

C) Mercosur – Peru

With regard to the Mercosur-Peru ECA, all that remains to be done to protocol it with the Latin American Integration Association (Aladi) is for Uruguay to complete its annex to the Trade Liberalisation Programme (TLP).

In the interim, Peru's bilateral agreements with each of the Mercosur countries have been extended to 30 September, 2004.

D) Mercosur – India

Fixed Tariff Preferences Agreement

On 25 January, 2004 the Fixed Tariff Preferences Agreement under negotiation was signed in New Delhi. In addition, a side letter was signed by which it was agreed that negotiation of the outstanding chapters (list of products, rules of origin, safeguards and settlement of controversies) be concluded by June 30.

At the negotiation meeting held in New Delhi from 24 to 26 June, analysis continued of the normative texts of the annexes on Rules of Origin, Safeguards and Settlement of Controversies.

Lists of products were likewise exchanged between Mercosur (205) and India (352).

The issue of Free Trade Zones was considered at the last Meeting of the Common Market Group held in Buenos Aires. On this matter, the Delegations agreed at the time that “in a period of ten days, Mercosur will identify the sectors whose production originating in the Manaus Free Trade Zone and the Tierra del Fuego Special Customs Area could benefit from the provisions in the Agreement.” It was decided that a request be put to India to proceed likewise with its own free trade zones. A videoconference is to be held on August 20, preceded by an Intra-Mercosur meeting on the 18 and 19 of the month to examine extra-regional relations in general (India, Sacu, Morocco, China, GCC, etc.), to be followed by a further negotiation meeting in Brazil in September 2004.

E) Mercosur – Southern African Customs Union (Sacu)

The I Mercosur-SACU Technical Meeting was held in São Paulo on June 16 during the Unctad meeting. On that occasion, the Uruguayan Delegation submitted its position on Free Trade Zones, subsequently included in the text of the Preferential Trade Agreement currently under negotiation.

F) Mercosur – China

On June 30 and July 1 this year a meeting was held between Mercosur and China: “V Mercosur-China Dialogue.”

The main points covered were as follows:

- Insistence by the Government of China on the need for Paraguay to officially acknowledge the People's Republic of China.
- Decision to set up Liaison Groups.
- Mercosur proposal to negotiate a Fixed Preferences Agreement. Proposal turned down by China.
- Chinese proposal to hold a Mercosur-China Summit in November this year.

G) Mercosur – South Korea

The V High Level Mercosur-Korea Meeting was held in Buenos Aires on June 4, 2004. On the occasion both parties agreed to release a Joint Press Communiqué.

A seminar on “New prospects for trade relations and investment between South Korea and Mercosur” was organised to coincide with the said meeting.

The Korean proposal to carry out a feasibility study for a trade agreement – including the possibility of a free trade agreement to boost economic and trade relations between Mercosur and South Korea – is currently being considered by the Common Market Group (CMG).

H) Mercosur – Egypt

The proposal of a Framework Agreement for the creation of a Free Trade Area between Mercosur and the Arab Republic of Egypt was submitted on 5 January 2004.

This Mercosur-Egypt Framework Agreement was signed on 7 July 2004 during the XXVI Meeting of the Common Market Council in Puerto Iguazú (Argentina).

I) Mercosur – Japan

The V High Level Mercosur-Japan Meeting was held on 9 October 2002. At this meeting information was exchanged on the economic standing of both parties, prospects for trade between Mercosur and Japan, both parties’ positions concerning Free Trade Agreements, and multilateral negotiations at the WTO, as well as investments and trade relations between Mercosur and Japan.

Concerning mechanisms for boosting trade between Mercosur and Japan, the possibility was raised of establishing a Mercosur Promotion Centre in Japan and of sending a joint trade mission to that country. Additionally, a representative of Iirsa (Initiative for the Integration of Regional Infrastructure in South America) made a presentation of business opportunities for Japanese corporations in South America.

The VI High Level Mercosur-Japan Consultation Meeting was held in Tokyo on 28-29 July 2004.

J) Mercosur – Gulf Co-operation Council (GCC)

The Member States of Mercosur are currently examining a proposal for a Framework Co-operation Agreement between Mercosur and the Co-

operation Council for the Arab States of the Gulf (GCC), which had already drawn positive reactions.

K) Mercosur – Arab Magreb Union (AMU/UMA)

In April 2003, the Chairman of the Mercosur Commission of Permanent Representatives (Coreper), former Argentine President Eduardo Duhalde, during an official visit to the Kingdom of Morocco presented a message of goodwill manifesting Mercosur's willingness to establish initial contacts with AMU/UMA to explore the possibility of at a later stage reaching some kind of agreement between the two blocs.

L) Mercosur – Singapore

In March 2004 Singapore raised the possibility of initiating contacts with Mercosur for the purpose of signing a Free Trade Agreement. On 3 June this took more concrete shape with a proposal to commence negotiations that went under the title of "Understanding for Co-operation on Trade and Investments."

During the LIV Meeting of the CMG, it was decided that a draft Understanding between Mercosur and Singapore be prepared as a counter-proposal.

M) Mercosur – Caribbean Community (Caricom)

The intention to bring Mercosur-CACM (the Central American Common Market) and Mercosur-Caricom closer together dates back to 1998. So far, however, no concrete initiative has been forthcoming.

N) Mercosur – Mexico

On 21 April 2004, during a visit to Argentina the Mexican Foreign Secretary, Luis Ernesto Derbez Batista, officially announced his country's intention to join Mercosur. This move was greeted with great enthusiasm by the bloc.

O) Mercosur – Asia-Pacific Economic Co-operation (Apec)

Mercosur has received an invitation to attend the Apec Joint Ministerial Meeting to be held in Santiago de Chile in November this year.

P) Mercosur – Morocco

The Mercosur Member States have agreed to the interest shown by the Kingdom of Morocco in signing a Fixed Preferences Agreement with Mercosur.

iii. Uruguay and the Doha Round

- 21) At the General Council held on 31 July 2004, the 147 members of the World Trade Organisation (WTO) reached an agreement on trade negotiations under the Doha Round. Apart from the details and feasibility of this agreement, Uruguayan Foreign Policy sees it as a relevant move forward from a political standpoint, first and foremost in the context of the aftermath of Cancún.

Similarly, the efforts made in Cancún by those endeavouring to advance negotiations (the Chairman of the Council and the host Government, in particular) added to the hard work expended in Geneva in the months following Cancún and in the most recent phase with the decisive part played by the Group of Five interested parties (the United States, the European Union, Brazil, India and Australia) have resulted in a milestone instrument. It preserves the structure of the original Cancún document while agreeing on ground rules for eliminating subsidies for exports of agricultural produce. It also addresses the matter of the substantial domestic aid provided by developed countries that provokes distortions in international trade.

It is worth recalling as a very concrete feature that by the end of the first year of the future agreement the overall sum of this assistance will have to have been cut by at least 20%.

Another kernel component of the Doha Round – access to markets, including access for agricultural produce and services – still requires tough on-going negotiation.

In this sense, it should be stressed that three of the four Mercosur member states were present at the 31 July session – a token of the importance both Uruguay and Mercosur ascribe to this multilateral undertaking. Particularly noteworthy is the role played by the Brazilian Foreign Minister, Celso Amorim – a fact roundly acknowledged at international and especially regional level.

- 22) The foregoing does not prevent us from warning that, when negotiations resume in September, the WTO Council will have to grapple with the tough task of making these undertakings binding, although the force of consensus certainly provides powerful backing.

Uruguay will continue to co-operate in these efforts at the highest possible technical, diplomatic and political levels.

iv. Uruguay in the United Nations

- 23) As a founding member of the United Nations, Uruguay continues to view with concern the agenda and decision-making of the Organisation responsible for underwriting the Peace and Security of the international community. Both are severely impaired in the present day by armed conflict that stems from a variety of causes yet has in common the seemingly endless suffering of peoples and nations.

Uruguay's foreign policy is attuned to the key issues addressed by the United Nations, which champions a multilateral, universal approach. Indeed, the UN's overriding – and to our mind ineluctable – mandate is to protect the international community as a whole.

To this end, we continue to participate in all initiatives that seek to perfect the United Nations system and that envisage the adoption of unswerving, serious commitments. These include campaigns such as the fight against hunger led by the Government of Brazil and particularly by the Brazilian President, Luiz Ignácio Lula da Silva. The Uruguayan President, Jorge Batlle Ibáñez, will attend the session in New York on 20 September to lend Lula his support.

- 24) Uruguay is keen to see the outcome of the work carried out by the Panel of Eminent Personalities appointed by the Secretary-General so that it can contribute its own ideas and experience concerning possible reform of the United Nations. Our prime concern is that the fairest criteria be adopted to ensure the harmonious operation of the diverse decision-making and consultancy bodies comprising the Organisation.

- 25) Uruguay vouchsafes its full support for the work of Unctad as the presence of President Batlle and his delegation at the recent

Conference in São Paulo betokens. The Uruguayan Government understands that development with equity is the best way to secure Peace.

- 26) Uruguay likewise supports and makes ample use of the work undertaken by Eclac, helping to divulge its conclusions in a responsible manner.
- 27) In the legal sphere and pursuant to the country's best traditions, Uruguay's foreign policy pays special attention to the codification and progressive development of International Law under the auspices of the United Nations through the good offices of the International Law Commission (of which we are a member) and the Sixth Commission of the General Assembly. We are particularly interested in the question of water resources classed under the heading of so-called "Shared Natural Resources" (which also includes Gas and Petroleum). In this context, it should be stressed that Uruguay has submitted to Mercosur – and publicised outside and beyond the bloc – a project on Guarani Water Resources. The project reaffirms the principle of sovereign entitlement of States beneath whose soil water resources are located. This in no manner releases them from due observance of basic criteria for rational use of such resources agreed upon within Mercosur should they be located in the subsoil of the Member States.

The support this initiative has received from other Mercosur members should be recorded here. The proposal is now being examined by a Special High Level Group.

- 28) The issues addressed by the Economic & Social Council (Ecosoc) also deserve special attention in Uruguay's Foreign Policy, the same applying to work the United Nations is carrying out in other spheres on issues such as the environment, the fight against drug trafficking, terrorism, gender equality and repudiation of all forms of discrimination, human rights, the International Criminal Court, and many others which we are unable to list in full here.

Contact and collaboration with the Office of the United Nations High Commissioner for Human Rights is another line of action of Uruguay's foreign policy.

In brief, reaffirming multilateralism and the paramount role of the United Nations are cornerstones of Uruguayan foreign policy.

Uruguay's stalwart participation in international Peace-Keeping Operations, measured in troop numbers and levels of responsibility, bears witness to our trust in the mechanism and its efficacy, wherever peace-keeping forces may be deployed (mention of the presence of Uruguayan troop numbers is sufficient proof of this: 1,824 in the Democratic Republic of Congo, and 576 in Haiti).

v. Uruguay in the OAS

- 29) Uruguay is a staunch believer in regional bodies, of which the OAS is undoubtedly a fine example. It is likewise fully aware of the role of the inter-American system in addressing an extensive, varied socio-political agenda.

We uphold regional initiatives and integration as worthy alternatives to globalisation. In this sense, we particularly appreciate the work of the OAS in defending democracy by means of the Lima Inter-American Democratic Charter, the crowning achievement of a decade of Secretary-General César Gaviria's administration. He shall always deserve my Government's fullest support, as does the recently elected Secretary-General, Miguel Ángel Rodríguez, former President of the Republic of Costa Rica.

My government is glad to see that historical circumstances that previously prevented the OAS from affirming its distinctive identity and independence owing to the Cold War are happily now a thing of the past.

Nowadays, the role of the OAS, for instance, in elections taking place in our countries, and the seriousness of its commitment to democracy undoubtedly constitute a regional asset that we have all striven to build and that it is our bounden duty to defend and protect.

Attention to complicated situations like that facing the Republic of Haiti (a member of OAS) serve to demonstrate how a response from our regional organisation can dovetail with that of the United Nations. The former lacks sufficient capacity to intervene whereas the latter can appeal to chapters VI and VII of the 1945 San Francisco Charter.

This is the framework in which Uruguay (also a member state of the OAS) is participating in peace-keeping operations in Haiti. It eloquently proves

that it is possible to combine both scenarios harmoniously through a political approach to which Uruguay fully subscribes in an endeavour to help reconstruct this suffering brother nation.

vi. Uruguay in the world

- 30) Uruguay is developing a policy of greater presence in Africa – a logical move from any standpoint – implemented not only through the effective operation of Embassies in several countries on the African continent but also very forcefully by means of official visits by President Batlle to Angola in October 2003, South Africa and the Democratic Republic of Congo in April 2004.
- 31) In bilateral terms, membership of Mercosur has enabled Uruguay to draw up a Free Trade Agreement with Mexico, which is already operational. This was done with the bloc's express authorisation: Decree 32/00, Decree 37/00 and Economic Complementation Agreement for the creation of a Free Trade Agreement between Mercosur and Mexico within the framework of Aladi (ECA No. 54) sanctioning bilateral agreements between Mexico and Mercosur member states (5 July, 2002). My country attributes the greatest economic significance to this development since it opens the way for potential access for imports and exports of goods and services to the partner economy of Nafta.

New general formulas, renewed product lines and different ways of quantifying access quotas (e.g. textiles, which can now be measured per linear metre instead of by aggregate value in dollars) are all patently positive features.

32) Negotiations currently under way with the United States for an Agreement on Investments are nearing conclusion. This is a major step forward in our foreign policy regarding a country that is one of the main markets for our expanding exports (meat, in particular).

It should, nonetheless, be underscored that these negotiations (undertaken at the closing of the Ftaa session in Miami in 2003) have been carried out in the broader context of political relations between Uruguay and the United States based on mutual respect and shared positions regarding certain key

issues. These include combating international terrorism and defending Human Rights, the latter being specially relevant to our democratic society, which, it should be stressed, acknowledges the role of the Geneva Commission and, no less so, of the Inter-American Commission.

33) In brief, by maintaining resident Embassies in 43 States and Cumulative Missions in another 57, Uruguay promotes a foreign policy strategy that is open to the world without neglecting its regional obligations.

Our trade within and beyond the region displays interesting features, such as the inclusion among the top four destinations for our exports (Brazil, the United States, Argentina and Germany) of two countries outside the region alongside two traditional neighbouring markets.

In the realm of concerted regional political action, the Group of Rio has in due time produced fully acknowledged accomplishments since its inception as the Contadora Group, subsequently as the Contadora Support Group and finally as the Group of Rio per se.

In the present international scenario, the Group's agenda should be adjusted to incorporate new issues prevalent in the region and even those beyond its confines.

Without in any way detracting from the foregoing, were the Group of Rio to be viewed as a type of regional "board," it might present a higher profile, for example, in the arena of the UN General Assembly and even outside it, taking a leading role in inter-regional dialogue with States or groups of States – a role it has performed, in practice, in recent years.

Avoiding an overlapping of regional agendas, especially with the agenda addressed by the OAS, is no doubt a reasonable limiting factor for the Group of Rio. In this respect, the agenda of the XXIII Meeting of the Group's Foreign Ministers includes distinct topics such as innovative financial mechanisms for public investments and infrastructure, among others, as well as advance information on the meeting of Heads of State to combat hunger and poverty, scheduled to take place in New York on 20 September. Be that as it may, the usefulness of the mechanism will be proven if the region is capable of transferring to the Group issues of general interest insufficiently explored in other forums.

In conclusion, Uruguay favours the Group of Rio acting as a political interlocutor for the region in the sphere of the United Nations.

vii. Strategies of Uruguayan foreign policy

The mere listing of these issues serves to outline Uruguay's foreign policy priorities and guidelines. So as to illustrate them better, nonetheless, the following points should be underscored:

- 1) Uruguay is, at one and the same time, an independent nation and a Member State of Mercosur. This dual identity should therefore be taken into consideration in all circumstances where the formally contracted commitment to Mercosur affects decision-making by Uruguayan authorities.
- 2) From this standpoint, the foremost strategy is to consolidate within Mercosur sufficient institutional mechanisms to ensure predictable, objective operation of the system's constituent bodies. Planning and implementation of the Mercosur Secretariat and the Permanent Review Tribunal are instances of this strategic institutional approach.
- 3) Uruguay does not view Mercosur as a closed, self-sufficient bloc but rather as a springboard for international insertion. It thus negotiates from Mercosur outwards when this is so determined by consensus among the partners. It does so on an individual basis for reasons of national interest providing this does not conflict with Mercosur's established organisational norms.
- 4) When it comes to intra-continental relations, Uruguayan foreign policy acknowledges the existence of an extended regional space manifest in its support for Andean Community agreements without this preventing recognition of the individuality of members of both groupings (Mercosur and the Andean Community) and of leeway still available for bilateral negotiation. This might point to the existence of an implicit subsidiarity clause as yet unexplored in the normative framework of Mercosur.
- 5) In inter-continental negotiations, the twin vector of common values/ shared interests is acknowledged to be the driving force behind

negotiations between Mercosur and the European Union. Uruguayan foreign policy recognises gravitation towards one or another in view of their respective natures.

- 6) Limited availability of funds is a factor restricting the projection of strategies. Nevertheless, balanced presence in central countries on all continents equips Uruguayan foreign policy to combine bilateral and multilateral relations, thus propitiating various levels of concerted action with a multiplier effect. By way of example, our diplomatic missions in Africa and Asia provide us with better first-hand knowledge of local economic and political reality with remarkable social peculiarities, thus enabling us to gain a foothold in markets and take an active part in international co-operation exercises such as the peace-keeping operations in the Congo, among others.
- 7) Uruguayan foreign policy pursues its objectives in compliance with the respective budgetary norms under the heading of strategic products. This allows the country to plan, manage and implement non-discretionary criteria that are therefore reasonably predictable.
- 8) Finally, the professional support of the foreign service makes it feasible to introduce programmes and standards in diplomatic training that correspond to the strategic products mentioned above.

This is duly reflected in the programmes followed when promotions are made.

Conclusion

By way of conclusion and in an endeavour to condense in a single paragraph the keynote of Uruguayan foreign policy, we can fairly state the following:

This is the foreign policy of the State, implemented by a Government by means of administrative actions. It is marked in its entirety by unflinching commitment to the sovereign integrity of the State focussing strongly on the new demands raised by the social and political evolution taking place within the country that projects outwards on its external relations. ■■■■

Venezuelans and their democracy

*Jesús Arnaldo Pérez**



Almost four years ago our country embarked on a period of profound transformation. Let us not be naïve: periods of social transformation are inevitably tough. While they proffer hope and social advances, genuine satisfaction and progress, they also imply conflict, resistance and, at times, crisis. I recall that this word, which has become part of our everyday language, was the object of specialist analysis in my student days in Toulouse. In Latin America and particularly in the Southern Cone region that was a time when democracy was a scarce article. In a nutshell, a time of crisis.

Let us speak frankly. Only in societies under the yoke of dictatorships or authoritarian regimes do domestic conflicts fail to surface and pervade public debate, taking the press and political circles by storm. Amartya Sen, a Nobel prize-winner in Economics, has examined this phenomenon with regard to famine across the globe. In Venezuela, where President Chávez's administration has undertaken far-reaching reforms, opinions are openly voiced for or against the policies adopted. This holds for all democracies. Day by day, the Venezuelan people are building a democracy whose legitimacy is based upon law. Its legitimacy derives from universal suffrage, the will of the people enshrined in the Bolivarian Constitution.

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What of the enemies of democracy? They exist in Venezuela as they do everywhere else! That is the fate of all young democracies like ours in the throes of teenage crisis. The fact is that the period of democratic rule that our generation experienced from 1958 to 1998 – when for a forty-year political pact between the social democratic party (Acción Democrática) and the social Christian party (Copei) held sway – served as no more than a proxy for democracy. So much so that the political parties proved incapable of responding to the legitimate aspirations of the people who had placed their trust in them. Many are to blame for this state of affairs. They include the congressmen at the new National Assembly, members of the Acción Democrática, Copei and Primero Justicia parties, who refused to denounce publicly the failed coup d'état on April 11th 2003, thus expressing their deep disdain for democracy.

The Venezuelan people have made it abundantly clear that no retreat will be countenanced. The antidemocratic movement – which has a fascist, retrograde inclination – reached its zenith on that dark day in the month of April. It is my conviction that there is no place in present-day Venezuela for coups or rebel escapades. I would even dare to wager that there is no longer any place for military dictatorships or violation of human rights throughout Latin America. Indeed, I would like to believe that this a page that has definitively turned in Latin America's dramatic history. Our peoples are placing the stakes of their hope on democracy. Democracy is not the privileged preserve of rich countries. We too have the right to live, develop and die under democratic rule.

Amartya Sen and Hugo Chávez Frías: from theory to practice

The political situation in Venezuela was virtually unknown in France outside the select circles of academics specialising in Latin American affairs. It was precisely before the resounding electoral victory of Hugo Chávez Frías that the French press (the monthly magazine *Le Monde Diplomatique* and the daily *Le Monde*, in particular) began to take an interest in what was inexorably about to pass in Venezuela. Just one week before the presidential elections in December 1998 Dr. Arturo Usler Pietri (R.I.P.) wrote an article in *Le Monde Diplomatique* analysing the root causes of the deep changes the 6th December elections were about to usher in. It was an exclusively historical analysis that this distinguished Venezuelan intellectual, who has since passed away, laid out in his article. It went under the title “Venezuela one step away from a major

change. End of a political cycle.” It should, however, be acknowledged that as early as November 1992, *Le Monde Diplomatique*’s director wrote an editorial called “The rebellions to come.” In it he rightly referred to the events of 4th February in Venezuela as a response and a desperate search for political solutions to the progressive destitution foisted upon the peoples of the world by globalisation.

After learning of the results of the elections and verifying that Hugo Chávez Frías had been elected president by an unquestionable majority of Venezuelans and following admission of defeat on the part of the anti-Chávez coalition, on December 8th 1998, *Le Monde* published a front-page report describing his electoral triumph. The page displayed a sketch of the winning candidate, Hugo Chávez, with a caption reading “candidate of the poor.” The same edition of *Le Monde* also published a full centre-page photographic portrait of him. The journalist culled significant passages from the speech made by the candidate elect, unlike the television news broadcasts that dubbed him a “populist.” The article in *Le Monde* referred to “Hugo Chávez, the converted revolutionary,” explaining that the new President had managed to combine warrior rhetoric and heartfelt mysticism. It was this that had made him the “candidate of the poor” with backing from the left and centre against an oligarchy that had lorded it over the country with support from Acción Democrática and Copei. Two days later (i.e. on Thursday, 10th December 1998) *Le Monde* also published a portrait of Amartya Sen, the new winner of the 1998 Nobel prize for Economics, classifying it as “the Nobel Prize for the Poor.” His 1999 book “Development as Freedom” was translated into Spanish and French*. For the first time ever, a Nobel Prize for Economics had been awarded to a researcher whose scientific interest had always been focused on poverty without taking much interest in financial markets.

The coincidence of the “Candidate of the poor” and the “Nobel prize for the poor” is curious but also highly symbolic, significant and current: the war on poverty was already on the agenda in Venezuela, alongside globalisation and our country’s standing in the international scenario. This was an interesting

* Amartya Sen (1999) Development as freedom. [English edition] Amartya Sen (2000) Desarrollo y libertad. Madrid: Planeta [Spanish edition]; Amartya Sen (1999) Un nouveau modèle économique: développement, justice, liberté. Paris: Odile Jacob [French edition].

experience to share with mankind. Thus in 1998, Hugo Chávez Frías, the candidate of the poor became the “President of the Poor” by the will of the Venezuelan people. They in turn were poor and dispossessed, many of them living below the poverty line according to the criteria adopted in published statistical data. Different specialists describe Venezuela as a “poor country at the same time rich in natural resources.” Much has been said about this dichotomy, once dubbed the “Venezuela effect.”

It can thus be said that the common denominator linking the theoretician, Amartya Sen, 1998 Nobel Prize winner for Economics, and the practitioner, Commander Hugo Chávez Frías, elected President of Venezuela in the same year, is the interest each in his own peculiar manner has shown in defending the poor and dispossessed. The Nobel Prize winner and his team of research workers by their penetrating, precise analysis of the genesis and mediation of poverty have contributed to advancing our knowledge of the greatest scourge currently afflicting mankind. Meanwhile, the President of the Bolivarian Republic of Venezuela and his government team have been striving tirelessly for five years to find ways (FUS, Bolívar Plan 2000, People’s Bank, Women’s Bank, Barrio Adentro Plan, Robinson Mission, Ribas Mission, Sucre Mission, Vuelvan Caracas Mission, etc.) to bequeath Venezuela an economy with a human face that refuses to deny the majority of the population elementary freedoms and rights (health, education, housing, work and recreation).

The foreign policy of the Bolivarian Republic of Venezuela

The paradigms pursued by previous administrations in foreign affairs were outworn and the areas of Venezuela’s insertion in the world seemed to have entered the doldrums. President Chávez has sought to instil a new vision and a new style, the prime purpose of which is to open new spaces for Venezuela in the world associated with new political, social and ethical values that mirror those underpinning his domestic administration. This approach has broken with many of the paradigms of the past and, quite naturally, has stirred reactions from those accustomed to the status quo. Nonetheless, I am convinced that the fruits of this international *modus operandi*, which are already perceptible, will gradually change the opinion of those still loath to join the ranks of the new Venezuela.

Venezuela's resolute stand on international issues stems not only from the need to uphold the country's interests in an increasingly competitive and demanding world environment but also from our determination to help establish a multipolar world.

We are firmly engaged in brokering a democratic model designed to revive human and spiritual values, driven by a determination to forge the development of solidary international co-operation. In these times of pacific, democratic revolution, Venezuela's domestic development framed in its foreign policy is grounded in the new Constitution.

Section Five of the Constitution of the Bolivarian Republic of Venezuela ascribes major importance to international relations by clearly setting out the aims and principles that are to guide the country's international conduct. It states that Venezuela's international relations must respond to the purposes of the State with regard to exercising sovereignty and promoting the interests of the people. It likewise rules that the National Government is responsible for determining the Republic's foreign policy and conduct, as well as for defending and overseeing its general interests.

On the other hand, the general outlines of Venezuela's foreign policy have been outlined in the 2001/2007 National Development Plan in the context of the basic balance described under the title "Let us strengthen sovereignty through multipolar integration." This document sets out the strategies designed to strengthen the country's international action, based on the following objectives:

- Furthering the democratisation of international society so as to foster concerted action among developing countries besides solidarity and co-operation among the different actors comprising the international system;
- Promoting Latin American and Caribbean integration with a view to tackling more effectively the social inequalities and high levels of poverty prevalent in the countries of the region;
- Consolidating and diversifying international relations, buttressing South-South co-operation and broadening relations with other regions and countries;
- Strengthening Venezuela's standing in the world economy by expanding non-traditional exports and thus adding value to our traditional exports.

In accordance with these premises, President Chávez has made every effort to project the country's image overseas. Official and working visits have been made to nations in Asia, Africa, the Middle East and Europe and numerous heads of state and government have been received in Venezuela. Within a framework of enhanced sovereignty and international pluralism, these visits have served to broaden the possibilities and options available to Venezuela in a wide variety of scenarios and with a broad range of international players. Ties with our traditional friends have thus been strengthened and closer relations established with new centres of power across the globe such as Russia, Iran, China and India.

In the present circumstances, personal contacts between Heads of State and Government from all latitudes are singularly instrumental in contributing to world peace by means of dialogue and co-operation. President Chávez has become a protagonist in the international scenario, spreading abroad a message of peace and solidarity among all peoples. His vision is supported and shared by other world leaders.

The worrying current state of international affairs requires of governments throughout the world reflection and pondered action in combating scourges like international terrorism. For well-known reasons, terrorism has come to the forefront of international attention. Venezuela has accompanied the unanimous approval of the OAS and ITRA¹ resolutions recently adopted in Washington. They express hemispheric solidarity with the United States for the attacks it has suffered. They reiterate our forthright rejection of terrorism and our trust that an escalation of violence will not be unleashed since this would undermine international peace and security, and only serve to aggravate humanitarian problems.

Nonetheless, I am convinced that we should at no point underestimate major, long-term challenges such as concerted action to combat backwardness and poverty, and joint efforts to promote economic and social development. This is an ineluctable responsibility befalling governments throughout the world, one which Venezuela, for its part, has shouldered with unflinching determination.

¹ Inter-American Treaty of Reciprocal Assistance.

The Government of Venezuela believes in integration, co-operation and concerted action, systematically nurturing all three. Never before in Venezuela has such intense activity been under way to promote regional integration not only in the economic and trading sphere but also in the realm of politics. This is borne out by the hosting in Caracas in early 2001 of the Group of Three Summit Meeting between Colombia, Mexico and Venezuela. The G-3 is a co-operation mechanism encompassing a free trade agreement that was failing to measure up to expectations. In Caracas the Presidents of the three nations decided to re-launch this important co-operation scheme, agreeing to intensify political consultations, trade and co-operation.

Further proof of this commitment was the successful hosting of the Community of Andean Nations Summit Meeting, which culminated in the adoption of the Carabobo Declaration. The accords signed at this Summit are designed to develop the social agenda and economic integration of the Andean nations. Like the G3, the Community of Andean Nations was facing serious difficulties that hampered the fulfilment of its objectives. With the renewed presidential impetus mustered at Valencia, conditions are now ripe for obtaining effective performance and paving the way forward to the establishment of the Andean Common Market in 2005.

A meeting of the Association of Caribbean States was also held on Margarita Island, gathering together 25 heads of state and government from the region. This was instrumental in promoting co-operation among the member states.

For obvious reasons, given our pacifist vocation and our solidary approach, all matters affecting our region enjoy a high priority. Thus our staunch contribution to the Colombian peace plan, for peace in Colombia plainly spells peace in Venezuela too. Our adherence to the co-operation agreements on energy with Caribbean and Central American countries is an unequivocal demonstration of the regional solidarity we put into practice without any kind of restriction.

The issues of democracy and human rights have acquired special interest for Venezuela. We have thus sought to turn increasingly to account the meaning of proactive democracy.

Another key feature of our foreign policy is our active participation in co-operation mechanisms and schemes for concerted action among developing countries such as the Rio Group, the Non-Aligned Movement, the Group of 77 and the Group of 15.

Venezuela presided over the Group of 77 for a year in 2002-2003. This amounted to international acknowledgement of the commitment displayed by the Government of Venezuela at the United Nations in voicing developing countries' positions on major global economic issues.

The Second Summit of Opec Heads of State and Government held in Caracas in September 2000 proved an outstanding accomplishment for Venezuelan foreign policy. Never before had a meeting of this magnitude, attended by renowned leaders from Africa, Asia and the Middle East, taken place in Venezuela. It sent out a clear message of unity in approach and purpose, showing that Opec can act as a channel of communication between extraordinarily diverse peoples, races, cultures and creeds.

We have resolutely contributed to strengthening Opec and we are unwaveringly committed to offering an adequate, opportune and sound supply of oil to consumers at fair, stable prices, stressing the link between security, supply and transparency in global demand for oil.

Unlike previous Venezuelan administrations, which showed little interest in the G-15, President Chávez has displayed stalwart involvement in this South-South co-operation scheme. As a result, in 2001 he assumed the presidency of the G-15, recently hosting the XII Summit in Caracas. Seven heads of state and government from the Americas, Africa and Asia in addition to high-level representatives from the remaining 19 nations comprising the group accepted President Chávez's invitation. They likewise backed the proposals and measures Venezuela tabled for the full benefit of the Group and on behalf of all developing countries.

By means of a Joint Communiqué, the Heads of State and Government of the Group of 15 convening in Caracas reaffirmed their political will to strengthen South-South co-operation and to endeavour to broaden and intensify dialogue with a view to exploring their potential and mutual assistance. It was decided that "the Troika (Venezuela, Algeria and Iran) should take greater responsibility for ensuring that the Group vigorously implement the jointly identified plans, projects and programmes and that the member states take effective action in pursuit of the decisions made by the Heads of State and Government."

The XII Summit of the Heads of State and Government of the Group of Fifteen culminated with the firm intention to propose new activities in

areas of mutual interest on the following issues: Energy and Development; Communication and Information Technologies; Generic Medicines and Public Health. The participants also resolved to step up co-operation on Medical Research and Human Resources Programmes.

The leaders present at the meeting examined fundamental issues concerning the international scenario and the way they affect their respective countries. The working sessions classified the issue of energy and development as a top priority given its overriding importance in the global economy and particularly for developing nations.

With regard to North-South dialogue, the member states of the Group of Fifteen committed themselves to continue their efforts to improve liaison and enhance mutual understanding with developed countries, including those comprising the G-8.

They likewise reiterated their support for the provisions contained in the Final Document of the Tenth Special Meeting of the General Assembly concerning the relation between disarmament and development while also reaffirming their commitment to combat drug trafficking. On this matter, they insisted on the need to co-ordinate efforts to tackle this scourge through unwavering compliance with the precepts of international law. They further announced their firm intention to combat illegal trading in small and light weapons.

The “Caracas Declaration on Energy and Development” expressed the determination of the Heads of State and Government of the G-15 to combat poverty and contribute to the social and economic development of each of the member states. They lent their full backing to permanent international dialogue in order to achieve detailed assessment of global energy needs and resources. They considered that public and private-sector funds should be employed – with due respect for domestic legislation and development priorities – to boost exploration of these resources, intensify trade and enhance exchange of technology so as to promote efficient use of energy.

The General Guidelines of the 2001-2007 National Development Plan – the first plan issued under the aegis of the new Constitution in Venezuela – have introduced a dynamic process for boosting growing positive interaction between sustained macroeconomic balance, effective social opportunities, a new territorial rationale, broader political opportunities and rational diversification in the international sphere.

As the visible head of the Executive Branch of Power, the President has turned his attention to all realms of life in Venezuela. His top priority is to restore to Venezuelan citizens their political and civil rights that had been trampled under foot. At the same time he seeks to satisfy their material needs, enhancing their access to decision-making.

As for foreign policy, it is based on intense diplomatic activity without precedent in Venezuela's history. The Government has widened its potential range of action by multiplying contacts and enhancing liaison with a view to nurturing political dialogue and joining forces in many areas of particular interest to Venezuela.

This drive to adopt an independent stance in the world by means of effective, proactive diplomacy has led the country to act resolutely in all forums and with a great variety of international players. Venezuela seeks to uphold the self-determination of peoples and a pluralist approach to international affairs. The aim is to achieve concrete results that will not only enhance the country's political status but also bring it economic, commercial, social and cultural benefits.

I am convinced that today's undeniably competitive and globalized environment requires more than ever before an active, dynamic foreign policy. It must prove capable of unfalteringly promoting national interests and at the same time serve to unite efforts to uphold the principles and objectives deemed to be of prime importance to the international community as a whole. These, meanwhile, must be translated by rational, systematic procedures into sources of fundamental values to which all humankind can ascribe. These include maintenance of world peace, the happiness and welfare of our peoples, and access to development and decent living standards as a key factor for securing the former two.

In view of the foregoing and since our country is undergoing a process of intense political and institutional change, Venezuela has drawn the attention of the international community and its diplomatic moves have been observed with increasing respect. The fact that our country is engaged in implementing substantial, far-reaching transformations lends our foreign policy a legitimacy that nourishes it with the same principles of justice, equity and participative democracy underpinning the Government's drive to promote Venezuela's full development and renewal.

International balance

As a matter of survival, today's world is grappling with the imperative to overcome the model of Globalisation stemming from the worldwide projection of neo-liberal ideals. In this context, a path is opening up for an alternative model that is both fair and democratic. It aims to secure national and local well-being while restoring humane spiritual values through the establishment of solidary international co-operation. We are apparently witnessing the advent of a time in which civil society, uncommitted to prevailing economic and political power structures, is taking up the reins. Respect for the self-determination of peoples, enhancement of South-South dialogue, support for a multipolar stand in today's world, the consolidation of Venezuela's status in the international arena and the exercise of economic diplomacy – all told, these are the compass bearings of our current foreign policy.

Today, Venezuelan diplomacy is viewed with great interest and respect throughout the world for its dynamism, adherence to the tenets of international law, and its determination to promote a solidary, multipolar international system.

Venezuela has placed particular emphasis on its sovereignty, on integration moves, and on attributing renewed prestige to dialogue.

Our country is beginning to reap the fruits of having sought, from the outset of the present administration, to launch anew active, efficient diplomatic drives in the commercial, economic and financial spheres. Moreover, it has endeavoured to revitalise its policy concerning regional blocs, to take a bolder stance in countering hegemonic international approaches, and to transform the internal structure of the Foreign Office – an indispensable step for bringing about such changes.

Efficient, active overseas policy has been re-launched through a series of international visits the President of the Republic has made to countries in various continents. He has been accompanied on these trips by business delegations from the public and private sectors, the aim being to improve trade relations with the countries visited.

The results of these trips and the revival of Venezuela's trade with friendly neighbours can be seen in the investments now being made in the country in other fields of hydrocarbon prospecting. Brazil has likewise increased its investments in Venezuela, including joint construction of Line Four of the Caracas underground and of the new bridge over the Orinoco River.

The Venezuelan Foreign Office has been entrusted with the task of implementing a new diplomatic strategy geographically focused on what has been termed the four main fronts: the Atlantic, the Caribbean, the Andes and the Amazon. The focal points for these four fronts are Guyana, Brazil, Colombia and the Caribbean States – all neighbours and natural partners in this undertaking.

In this framework, Venezuela and Guyana have agreed to create a High-Level Bilateral Commission and a Bilateral Business Council, the purpose of which is to promote new initiatives and activities for expanding, strengthening and advancing ties between the two nations, and so overcome our border disputes. This sea change has been signalled by President Hugo Chávez Frías's recent visit to Georgetown.

Besides intensifying bilateral trade, Venezuela is keen to enhance its relations on all levels with Brazil. It has especially sought to support Brazil's drive to promote greater Latin American integration by bringing together the Community of Andean Nations and Mercosur, an initiative in which Venezuela has played a strong hand.

Our relations with Colombia, however complex they may be and however numerous the issues involved, have become clearer, more transparent and more respectful. They may occasionally be more emotive but this is partly because they have become more affectionate. We have lavished the greatest attention on all aspects of our relations with Colombia because our two countries are historical blood brothers, inseparable neighbours and, for the present and if for no other reason, because Colombia is our second largest trading partner. Venezuela has made an active contribution to the restoration of peace in Colombia putting its territory at the disposal of all the parties involved in the present conflict in an endeavour to reach an understanding. Besides our natural interest in the fate of a brother Bolivarian nation, Venezuela is the country most seriously affected by the conflict in Colombia.

The new policy toward the Caribbean has been strengthened and it is in our interest to enhance it further. It has established a position of solidary reciprocity with Cuba, with the Association of Caribbean States, with Caricom and with the Central American-Caribbean countries. A good example of this policy are the supplementary agreements sealed in the field of energy, by which Venezuela is to provide these countries with crude oil and by-products at

market prices but with facilitated terms of payment, thus assuming its solidary responsibility as a regional energy power.

With regard to the United States, we have sought to maintain a stance of friendship and goodwill while clearly manifesting our independence and autonomy when it comes to planning and developing our foreign policy. Goodwill and rationality have marked our relations with the US, of considerable historical relevance to Venezuela. This has been the tonic since the first year of the present Government's mandate when what was then the Congress of the Republic approved an agreement with the United States to avoid double taxation as a result of pressure applied by the Venezuelan Foreign Office.

To a restless generation in search of new horizons

The Venezuelan people are today experiencing moments of intense emotion expressed by deep sentiment coming direct from the heart. Nonetheless, all Venezuelans are aware that we must progress from feeling to action.

Such moments are ideal for focusing on the idea of a generation of men who, in the early seventies, left school in the Venezuelan hills and headed off in different directions along distinct paths. In our high-school days we dreamt, loved and nurtured our conscience in preparation for the struggles that lay ahead. Some envisaged direct political action and forms of future revolutionary organisation of the people. Others sought in science and knowledge means of overcoming the exclusion of the majority and forging true democratic alternatives. They pondered on the landscape, music, the environment, nature and man as facets of what was later to be defined as sustainability, a *sine qua non* condition for the development of society.

At that time we could merely visualise the future which now unfolds before us as a genuine hope and real expectation, precisely because we had had the intuition and certainty that solutions to the structural crisis were indeed feasible. As in the days of the War of Independence when many people from the hills proved capable of immense sacrifice of fortune and lives in the cause of freedom, our generation also devoted itself to this cause under somewhat different circumstances. The compass bearings were education, knowledge, science, discipline, ethical and moral principles. To this have we dedicated our lives. We have proved capable of crossing the desert without selling out for a

jug of water. My fate was voluntary exile in France for years on end, years of banishment that kindled in me a deeper love for my people and for this Venezuelan society among whom it is so gratifying and pleasing to live. Our teachers at the O'Leary Lyceum helped forge our democratic convictions and imbued us with love for work well done.

This "restless generation in search of new horizons" who, despite the odds, managed to earn its qualifications during the period of representative democracy, today demands and propounds Participatory, Protagonistic Democracy for the sake of the principle of continuous improvement.

We have demonstrated that it was worthwhile insisting even when the path ahead was fraught with difficulties. If obstacles still exist today, it is among other things because there are those who magnify them, doing their utmost to drive into reverse a process that is already irreversible. This is no longer the dream of a group of stripling lads but the will of an entire nation that has come to understand that when the bread is for everyone, all must help knead the dough.

One should not, of course, forget to say that this "restless generation in search of new horizons" to which I belong has always counted on the support of parents, relatives and friends who have unflaggingly guided us. Where material resources may have been lacking, good sense and decency were abundant in heading us toward professional life and creative work as the sole alternative of social ascent for people of scarce means.

I am concerned today because the Democracy that Venezuelans have chosen to enshrine in the Bolivarian Constitution is in jeopardy. The truth is that we are experiencing a crisis marked by a dearth of democrats in Venezuela. Forty years of representative democracy that raised such high expectations in Venezuelan youth have proved insufficient to forge true political parties or to bring forth leaders devoted to overcoming the great difficulties the Venezuelan people have had to face. Indeed, during the dire events of April 2002 we could see among the representatives of these parties that traditionally defend Democracy (and with such conviction!) some congressmen and leaders of the so-called left wing applauding its death alongside fascist apprentices.

A well-known paper of the "intelligent opposition" jokingly published on the front page of its 12th April edition a headline reading "Chao Huguito" [Bye-bye little Hugo]. Its taunt might just as well have been "Bye-bye

Democracy,” thus vaunting its scorn for the Venezuelan people. What a contradiction! Some of these same personalities can today be seen vehemently attacking the Electoral Power invested in the National Electoral Council without fear of reprisal. Therein lies the need to call upon the Venezuelan people to see themselves reflected in the “restless generation in search of new horizons,” to help bring into being a true opposition moved by its convictions and democratic conscience. The motherland demands this much.

The new banner to which the “restless generation in search of new horizons” rallies today is the defence of our Constitution. We now seek to put into practice its core values, i.e. Sustainable Development for Venezuela. The Bolivarian Republic has a key role to play in this venture as it did during the struggle for Independence, mustering its human, energy and natural resources. The results of the Robinson I & II, Ribas, Sucre, Mercal and “Barrio Adentro” missions prove that health, nutrition and education can become the basic freedoms for forging Sustainable Development in our country. Together with the “Vuelvan Caras” mission, they will allow us to eradicate poverty from our midst.

The eyes of the world’s billions of poor inhabitants are turned toward us thanks to globalisation. Many leaders of nations from both North and South hope and trust that the methods being tested in Venezuela will prove capable of accomplishing the objectives of the United Nations Millennium Summit. They share with us President Hugo Chávez’s idea of setting up an International Humanitarian Fund for effectively combating poverty. The efforts being made by the Venezuelan people and their Government should be publicised across the globe, and this task befalls the Foreign Office of the Bolivarian Republic of Venezuela. As President Chávez has stated, I too believe that in Venezuela we have chosen the toughest solution, which consists in increasing Democracy and reducing poverty. We are sure, nonetheless, that we can and shall achieve this goal.

The Food & Agriculture Organisation was created to eradicate hunger. Yet despite the technological advances, despite the great potential we are afforded, the fact is that hunger has spread in the world. Brazil’s President Lula is currently leading a Zero Hunger campaign. President Chávez is in full agreement that hunger must be abolished. However, he takes a much more systemic, holistic view of hunger: hunger is poverty by another name. It is my firm belief that man does not live by bread alone, as the saying goes and many

people reiterate. We also need to know how to read and write, we need good health, we need land to till, we need culture, and so forth.

Here in Venezuela we are working methodically to meet the targets set by the Heads of State at the United Nations Millennium Summit. These include reducing hunger in the world by half by the year 2015 and in each sector halving the number of people denied access to drinking water, among other things. The Unesco Dakar accords, which envisage quality education for all, are being fulfilled in Venezuela thanks to the broad range of social Missions the Government is implementing.

Sustainable Development to eradicate poverty

At the Johannesburg Summit in September 2002 Heads of State and Government from the entire world agreed on the urgent need to concentrate mankind's efforts on the struggle against all forms of poverty. In his speech President Jacques Chirac, in particular, pathetically caught the world's attention by saying that "our house is on fire and we are looking the other way." He insisted that "the persistence of poverty among the masses is a scandal and an aberration." At the same time, the French President proposed an increase in public aid for Sustainable Development, arguing that it was insufficient and concluding that there was a need for "a solidary levy on the considerable wealth produced by globalisation."

For his part, President Hugo Chávez reaffirmed that the Bolivarian Republic of Venezuela follows the path and takes up the banner of Sustainable Development. Moreover, pursuant to his stance in Monterrey and in New York, the Venezuelan President reiterated his proposal for "the creation of an International Humanitarian Fund": "... a rigorously compulsory Humanitarian Fund into which we should pay 10% of the world's military spending or, for example, 10% of the foreign debt that the world's poorest nations pay to the developed world... An International Humanitarian Fund to which a percentage of the vast capital derived from drug-trafficking and corruption could be allocated or channelled..." Finally, in January 2004, at the Monterrey Summit of American States, President Chávez once again insisted on the need to institute an International Humanitarian Fund to eradicate poverty on the American Continent. Meanwhile, in his New Year's message before the

diplomatic corps accredited in Paris, President Chirac announced that in the second quarter of this year he will present the conclusions reached by a group of highly-qualified experts appointed to seek new sources of international financing, particularly vis-à-vis the idea of a duty to be levied on international capital flows. It is a great satisfaction to note that Presidents Chirac and Chávez share the same concerns regarding Sustainable Development and the need for urgent, unwavering combat to wipe poverty from the face of the Earth.

The diplomatic policy of the Bolivarian Republic of Venezuela should thus be consonant with all the social programmes being implemented in our country today within the framework of sustainable development.

Indeed, at the last Earth Summit held in Johannesburg, it became evident that virtually no progress had been made concerning the targets and commitments to which the participants had subscribed. On the contrary, the scenario had worsened. In referring to the Millennium Summit, experts now concur that, despite all the efforts countries are making to eradicate poverty, they will not be able to achieve the objectives according to the schedule originally set.

The main concern of both Rio92 and the Millennium Summit was humankind and the fight against poverty. This explains why Venezuela has been focusing on the social plans and programmes mentioned above. They constitute methodological experiments in the fight against poverty and a means of attaining the objectives set at these Summits.

Our country has become a centre for trials and experimentation in the fight against poverty and, in this capacity, has attracted international attention because the world is anxious to learn about Venezuela's experience in this field. The general belief is that poverty is a fatality and hence nothing can be done to eradicate it. In Venezuela, on the contrary, we are working with concrete plans to combat poverty.

The diplomatic service of the Bolivarian Republic of Venezuela has thus been called upon to use its embassies, consulates and diplomatic representation offices to divulge the progress being made and also to seek co-operation and information about similar undertakings in other countries in the fight against poverty. Besides publicising this action, our ambassadors are active in gathering information and seeking to establish bilateral and multilateral co-operation projects to supplement the work being carried out in our country. We are in search of co-operation for enhanced citizens' participation, new

technologies for sustainable agriculture, instances of private enterprise and the business sector helping to create jobs, etc. We are interested in programmes that may support the work already under way to combat poverty.

Sustainable Development will lead to the eradication of poverty. Sustainable Development, however, also implies a bilateral and multilateral agenda on the environment including a search for projects for dealing with social problems, new techniques for obtaining drinking water, climate change, international regulations for treating environmental problems as global concerns.

As megadiverse, energy-producing countries, we have added environmental responsibilities that we can share in international forums such as OPEC. It would, for instance, be convenient to examine the environmental liability bequeathed by the oil industry. We might ask ourselves what should be done to comply with the principle of internationalising environmental costs and to apply the principle that “those contaminating the environment must pay.” This is one of the tenets of Sustainable Development.

Another founding principle of Sustainable Development that we are putting into practice by involving indigenous communities in the country’s development is the management of natural resources and parks, in addition to promoting the active participation of women and young people.

Venezuela is a signatory of the Treaty on Non-Proliferation of Nuclear Weapons. Ours is a peace-loving country, all the more so as war is the negation of Sustainable Development.

Democracy is the very essence of Sustainable Development and the latter is inscribed in the Bolivarian Constitution. This explains the great effort we are making to buttress our institutions. The aim is to mould responsible individuals capable of providing the country with alternatives and seeking solutions within the framework of democracy while upholding the laws and the Constitution.

What we are currently undertaking in Venezuela is basically designed to meet the targets established by the United Nations. Our concern is that these purposes cannot be accomplished merely by fine official discourse. What is required is political will, and our government has consistently expressed that will in international forums. Its unfaltering political will has been translated into plans, programmes and the social Missions currently in progress.

The will of the Venezuelan Government has likewise expressed itself first and foremost by the enhancement of Democracy and secondly by the increased budget resources for implementing these social support programmes while engaging the population as stakeholders of their own future.

The fight against poverty does not depend solely on governments but should also include the participation of the population. People must be encouraged to seek solutions to their own problems and, at the same time, private enterprise should be persuaded to take part.

We have come to a point at which it is plainly apparent that the growth of developed or underdeveloped countries is not in itself sufficient to provide welfare for the majority. At the same time, we know that the economic integration looming on the horizon, the main purpose of which is to integrate markets, necessarily accentuates competition among nations. This holds true for labour, facilities to be tendered to corporations in order to convince them to invest, inducement to tax exemption, and the temptation to disparage workers' social rights. This will kindle cut-throat competition and set us on the slippery path that leads to low wages, flimsy social protection, child labour and a general worsening of working conditions. That is the precise opposite of Sustainable Development. It is what would occur with the onset of the integration of markets, in which attention is focused on the market.

Venezuela, on the other hand, proposes the integration of peoples through the medium of culture, through exchange of information and the establishment of direct contact among the peoples of the world. Only then may integration create the conditions required to put a human face on globalisation.

The time is ripe for this, considering that the United Nations are due to discuss the Convention on Cultural Diversity under the auspices of Unesco in 2005. In this context, culture and peoples will not merely be on the receiving end of the integration of markets.

Education, Health and Nutrition as basic freedoms underpinning Sustainable Development in Venezuela

The President of the Bolivarian Republic of Venezuela, Hugo Chávez, holds that the most effective way of eradicating poverty as a *sine qua non*

condition for Sustainable Development is to grant “power to the people.” Indeed, throughout 2003, after successfully facing down antidemocratic attempts to destabilise the country in February and despite the considerable economic losses they provoked, the Venezuelan Government forged ahead with concrete steps to devolve “power to the people” by means of Education, Health and Nutrition. This was the origin of the Robinson Mission entrusted to the Ministry of Education, Culture & Sports. The purpose of the Mission is to eradicate the high level of illiteracy that persists in our country and to enable more than one million Venezuelans to complete primary education. This was soon followed by the Ribas Mission placed in the hands of the Ministry of Mines & Energy. This mission is designed to help hundreds of thousands of young Venezuelans, who have been prevented from doing so for one reason or another, to finish secondary schooling. Finally, the Ministry of Higher Education has implemented the Sucre Mission and founded the Bolivarian University so as to provide more than half a million high school students with an opportunity to further their studies and obtain a university degree.

With regard to Health and Nutrition, President Chávez’s Government has implemented the “Barrio Adentro” Plan and the Mercal Mission jointly entrusted to the Ministry of Health & Social Development, the Ministry of Agriculture & Land, and the Defence Ministry. The prime objective of the former is to improve living conditions among the poorest segments of the population living in shantytowns on the outskirts of Venezuela’s big cities. The Plan consists in providing integral free assistance in terms of health and education through the involvement of organised communities and with the help of specialised medical teams. In tandem with this initiative, the Government is establishing a public health network based on health centres and community clinics. The Mercal Mission, meanwhile, is designed to improve nutritional standards in the country, the aim being to set up a logistic system for the purchase, transportation, storage, distribution and sale of foodstuffs and basic general medications. The food and medicine are to be sold below market prices, thus allowing millions of underprivileged Venezuelans to exercise their right to health. ■■■



Antonio Berni

First Steps

Alberto G. Bellucci *

Berni painted *Primeros Pasos* [First Steps] in 1937, the year in which Picasso produced *Guernica*. The association is arbitrary but deliberate. It is not simply that two such masterpieces were born simultaneously during the long trajectories of these two modern masters. More importantly, it is because Antonio Berni (1905-1981) surely stands to Argentine painting as Pablo Picasso

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does to European art. They were unique artists marked by their ethical and aesthetic restlessness. Both were leftwing militants of a frequently Utopian bent, exuberantly creative, avid to explore fully the plastic potential of figurative art and denounce the glaring scourges of twentieth-century society: in Picasso's case, the cruelty of war; in Berni's social exclusion and urban injustices.

After spending five years in Madrid and Paris on a scholarship, Berni returned to Argentina in 1930. He was 25 years old and recently married to Paule Cazenave, a sculpture student whose acquaintance he had made in France. By then, he was also the doting father of Elena, whom they affectionately called Lily. Mother and daughter were to feature prominently in many of his paintings in the late thirties and early forties. These include *Primeros Pasos, Paule y Lily* [Paule and Lily] (1941) and *Lily* (1943), pointedly classical works denoting a "return to order." Stylistically speaking, they take us back to the pre-Renaissance period and, more recently, to Italian metaphysical painting. It is curious, though explicable, that these family portraits set in serene, tranquil, congealed-looking surroundings should come hot on the heels of the searing, convulsive, overwrought expressionism Berni had employed to jolt society into awareness of the dire effects of the Depression and subsequent mass unemployment (*Manifestación* [Protest march] and *Desocupados* [Idle workers] in 1934; *Medianoche en el mundo* [Midnight in the world], 1936-37). As shown above, however, there were many Bernis in Berni, just as there were many Picassos in Picasso.

Let us return to *Primeros Pasos* and allow ourselves to linger there, enjoying its pervasive serenity. The painter simultaneously captures not only the precise features of wife and daughter (Berni was an accomplished portrait artist, a form of expression he never abandoned) but also the protootypical universality of their demeanour, capable of being extended to many others and even to mankind as a whole. This is one of the secrets that make such a deep impression on keen observers, definitively producing a profound change in the way we grasp a representation that, at first glance, seems obvious. The hieratic postures of both the dancing girl, half suspended in mid-air, and the pensive mother who has set her sewing to one side are one with the immobility of the patently scenic architecture and background landscape. The aura is redolent of fourteenth-century Italian masters. The folds in the fabric draped over the sewing table and the bunched curtain (a continuation of the young dancer's blouse) have the same frozen, immobile presence, forever fixed exactly as the

painter's eye caught them. A deep calm envelops the entire ensemble. But if you look closely, you can detect sentiments throbbing: re-distilled illusion in the daughter, absorption in her own recollections in the mother. These delicate vibrations flow from the two figures at the sides into the central plane of the picture, which just happens to coincide with one upright of the wide-open doors. The vertical white line marks the axis of a virtual diptych, each leaf representing a phase of womanhood. The uninhibited zest of adolescence played off against the resignation of the woman who has seen – and continues to see – such illusions all too fleetingly vanish.

In this magnificent opus, Berni unleashes a whole world of possible remembrance. It comprises a range of memories sweeping from the ranked pinnacles of western figurative realism to the far frontier of precise geometrification, beginning with psychological characterisation. Objectivity and subjectivity, quietude and exultation, line and colour mingle in a reciprocating association. In shot, what we witness here is a subtle, intimate dialogue in which the spectator is invited to join – to in order to complete it.

Primeros Pasos [First Steps] was exhibited at the XXX National Fine Arts Salon in 1940, being awarded first prize, and was immediately incorporated into the collection of Argentina's National Fine Arts Museum. Just five years earlier the National Salon had turned down *Desocupados*. This monumental tempera on sackcloth painting by Berni is now on display in the Buenos Aires Latin American Art Museum (Malba), a few blocks from the National Fine Arts Museum. What a fitting image of how triumphs live side-by-side with failures in artists' careers. It is equally expressive of the generally short span it takes for history to restore the balance required for judicious, mature appreciation. ■■■■

Version: Mark Ridd.

