

**The Collapse In Cancun And The Transformation Of The Global System By  
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The World Trade Organization (WTO) Negotiations in Cancun, Mexico collapsed on Sunday and the relationships between rich and poor countries will likely never be the same - nor will the global system. The group of twenty-two developing nations (G22) that emerged as a negotiating bloc directly challenged the continuation of a one-sided neoliberal system that protects investors and corporations of wealthy countries while opening developing nations to the vulnerability of the global market. Brazil has emerged as a catalyst and organizer for bringing together developing and progressive countries to transform the weapons of neoliberalism into tools for the social agenda, opening possibilities for a more just global order.

The G22 publicly announced itself after a profoundly unfair joint US and European Union (EU) proposal for what would be negotiated in the Cancun WTO meetings was tabled last week in Geneva. This proposal maintained US and EU protections against agricultural goods from developing nations (often their largest export) but greatly weakened controls on foreign investment and other trade regulations for developing countries. The G22 is comprised of Brazil, India, China, South Africa, Mexico, Thailand, the Philippines, Argentina, Turkey and Costa Rica, among others. Previous WTO negotiations have been characterized by the US and the EU isolating developing countries and forcing through one-sided agreements that benefit investment and corporations from wealthy countries and limit the export potential of developing countries. The G22, in coalition with an African bloc, have been able to stand firm, refusing to move forward on negotiations important to wealthy countries until the question of agricultural subsidies and protections of wealthy countries are brought to the table in a substantial manner. Approximately seventy other developing nations in addition to the G22 refused to sign the final US and EU-written accord in Cancun. The ongoing round of WTO negotiations have come to a halt.

The G22 did not emerge spontaneously but is one of the first fruits of intense international organizing begun in Brazil last May. The new Brazilian government led by the Worker's Party (PT), well-known for its innovative policies at local and state levels for increasing citizen participation, took federal power in January after a landslide election for a broad PT-led coalition. This Party was formed roughly thirty years ago as a new type of Left Party, through the coming together of unions, social movements and intellectuals towards the end of Brazil's Military Dictatorship. Their federal mandate has been supported by an amazing coalition of broad sectors of society, from the Landless Movement (MST) to national industrialists, who all unite around their clear vision that the neoliberal project is not working for Brazil and around their common support for a new Social Pact - sometimes spoken as a Brazilian New Deal. Around 70% of Brazilians live in poverty, with 40% living on less than a dollar a day although Brazil is the 11th wealthiest

country on the planet; most of the wealth is concentrated in few hands or leaves the country through multinational corporations. Not wishing to go the isolation road as Venezuela or Cuba have done, Brazil has begun an astonishing organizing effort globally to attempt to transform the weapons of neoliberal domination into tools for social justice and solidarity.

This project began to be visible in late May with the agreement of eight Latin American countries to negotiate as a group in the Free Trade of the Americas (FTAA) negotiations. In early June, the Brazilian President Luis Inacio Lula da Silva (popularly known as Lula) and the new President of Argentina, Nestor Kirchner, announced their shared priority of establishing a common parliament for the Mercosur regional integration block (Brazil, Argentina, Uruguay, Paraguay and Associate Members Chile and Ecuador) with the vision of a shared currency and the integration of Peru and other nations of the Andean pact (Bolivia, Columbia, Ecuador, Venezuela). Brazil is considering Mercosur the principal medium for consolidating the sustainable development of the region and fortalizing the presence of South America in the World scene. Peru has since become a member of Mercosur with the rest of the Andean pact close behind.

Around the same time, Brazil, India and South Africa announced the creation of the Group of Three (G-3), with the possibility of becoming the G-5 to include China and Russia (who themselves had recently formed an alliance with the specific aim of countering US power). The creators of the G-3 hoped the alliance would also bring an alliance between Mercosur and the Southern Africa Customs Union (South Africa, Botswana, Swaziland, Namibia and Lesotho), particularly in WTO negotiations. The first goal of the G-3 was to begin working to gain a seat for one of its' members as a permanent member of the United Nations (UN) Security Council and to reform and democratize this Council in which five countries - not one of them from the Global South - virtually run the UN through their veto power. The Secretary General of the UN, Kofi Annan, has supported Brazil's accession and British Prime Minister Tony Blair has formally announced his backing for Brazil to gain a seat. Lula will be delivering the opening speech for the next UN session at the end of this month. He has also non-officially been nominated for the Nobel Peace Prize.

This past week Lula formally backed the idea of Peru's President, Alejandro Toledo, of forming a "South American Nation", beginning with the conclusion of bringing together Mercosur and the Andean Pact. These nations share the view that they need a community of South American countries to not be suffocated by the economic power of the US through the FTAA and other mechanisms.

The PT announced in June that they will be hosting the 2003 Congress of the Socialist International, which last met in November 1999 (before the Seattle WTO Ministerial). This Congress will bring together leaders from 141 social democratic, socialist and labor parties from every continent, including Chancellor Gerhard Schroeder of Germany and Prime Minster Tony Blair. The PT is considering this as a platform for delivering their message to the world and many are seeing this Congress as an important moment of consolidation and a launching point for a new global social project after two decades of

neoliberal policies and practices.

The last weeks brought together representatives of numerous developing countries, in Geneva and elsewhere, for preparatory meetings for the Cancun WTO negotiations. With the tabling of the US/EU proposal for what was to be negotiated in Cancun, Brazil's emerging core group of developing nations quickly gained new members and solidified into the G20, which in the course of the Cancun meeting became the G22.

The US acted aggressively and unsuccessfully to try to break up the G22 throughout the Cancun negotiations. Pressure was put on all G22 member countries and Costa Rica, Colombia and Guatemala were specifically warned that their cohesion with this bloc threatened other agreements that these countries are developing individually with the US. Significant bribe money in the form of aid was offered to sympathetic African countries to distance themselves from the G22.

Towards the end of the meeting Brazilian representatives held a briefing with civil society groups from around the planet, facilitated by Lori Wallach from the US organization Public Citizen. The PT has been a central force in bringing global civil society groups together in recent years through the World Social Forums in Porto Alegre, Brazil. This briefing marked a new step for Global Justice groups as they begin working with progressive governments inside the WTO for the social agenda.

The G22 has made clear that they will postpone the scheduled date of January 2005 for the end of this WTO negotiation round if the needs of developing countries do not enter the negotiations. The G22 has stated that it will continue to act beyond Cancun and will expand to issues beyond agriculture and to forums beyond the WTO, working to move the current global system in a more just direction.

This tremendous organizing on a global scale, directly challenges a neoliberal world and the power and is a might be the first visible signs of the possibility of a social democratic turn in the global system. This global coalition building is using the neoliberal tool of Free Trade as a weapon against the system of neoliberalism itself. By negotiating as blocs highly concerned with the social agenda, Brazilian-led coalitions and their expanding alliances are attempting to turn Free Trade into Fair Trade by beginning to demand standards for workers and an end for protectionism only for wealthy countries, as conditions for trade. Are these major structural signs of a challenge to world domination by the US, Europe and Japan and the legacy of 500 years of exploitation of the Global South - first through colonization and then developmentalism and neoliberalism?

It may be a worthy caution that Brazil's new government came to be through intense struggle, especially by those who have been the most exploited. The possibility of an emerging global architecture with more social solidarity may only be sustainable to the extent that mobilization continues on all levels, democratizing and transforming the institutions which structure people's lives. Without this movement, the possibilities of an emerging global architecture might

be little more than an opening for a few more financial elites from the Global South. However, a more democratic global architecture would certainly provide the structure to put the brakes on corporate power and provide a basis for traditionally Left-of-Center parties that have been dragged Right by market forces during the neoliberal era, to act for the social agenda and a more just planet. Mr. Zoellick, the US Trade Representative may yet have to eat his words from last year, when he said that Brazil could go trade with Antarctica if they did not like the US's terms for "Free Trade".

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