

<https://internationalviewpoint.org/spip.php?article660>



Brazil

A referendum on the FTAA

- IV Online magazine - 2001 - IV331 - May 2001 -

Publication date: Thursday 3 May 2001

Copyright © International Viewpoint - online socialist magazine - All rights reserved

The Free Trade Agreement of the Americas (FTAA) is much more than a proposal to liberalise commerce, as has been formally announced. It's about, of course, a strategic project of the United States to consolidate its domination over Latin America through the creation of a privileged space for the extension of its economic frontiers.

The introduction of the FTAA will represent a deepening of the liberalisation and the economic and financial deregulation that will lead to political weakening of the Latin American nation-states, making their economies more precarious.

The proposed integration process has made progress and it is now on track since the first Conference of the Americas in Miami, in December 1994. The conference established nine negotiating groups and three special committees who are deciding the rules and norms that will regulate the reduction of tariff barriers and subsidies and anti-dumping policies and methods of compensation, plus extremely sensitive topics such as investment (the flight of capital in the region and the protection of external investments before eventual action by the state), the purchasing policies of governments (openings to foreign capital), intellectual property rights (protection of the interests of the corporations, particularly in pharmaceuticals and biotechnology) and services (a broad opening for foreign investors).

The proposal, therefore, affects all areas, with repercussions as serious as they are predictable, given the enormous asymmetry existing between the United States (US) and the rest of the economies of the region, not only in terms of size (US Gross Domestic Product represents 71% of all the hemisphere) but also in productivity, scale of production, systemic efficiency and competitiveness.

Of course, this does not exclude the possibility that some minor economies could obtain some economic advantages, although at the same time, accentuating their status as satellites of the US economy. It is also possible a few businesses or specific sectors might even benefit from the process of integration.

The greater sized economies of Latin America, however, have much more to lose than to gain as a result of the implementation of the FTAA. Amongst them, Brazil will be the greatest loser. It has a continental economy with multi-lateral foreign trade that cannot be reduced to a platform for exporting and, even more, it is the only Latin American country with the potential conditions for counter-posing itself to the US hegemony in the region.

Our productive structures and resources are not complementary to the economy of the United States. On the contrary, we are competitors in various sectors (automobiles, steel, orange juice and soya, for example). The level of integration of our productive system, our scale of production and the domestic capacity of our technological development are much lower than that of the United States, which added to the deficiencies of our basic infrastructure, places us in an extremely inferior position relative to the productivity and competitiveness of the global economy.

In these circumstances, the liberalisation of the flood of commodities, services and capital offers a one-way route, with destructive impacts on the structure and dynamics of the nation's productive system.

Regression to neo-colonialism

The experience of recent years is illustrative of what may have to be surrendered with the coming of the FTAA. The sharp opening to outside commerce, accompanied by the overvaluation of the currency promoted by the 'Plan Real', in addition to causing a process of de-industrialisation, generated significant losses in commercial exchanges with the external economy.

During the period 1994/97, for example, our exports to the United States grew by 5.22%, whilst our imports from that country increased by 115.62%. And even though the currency crises of 1999 may have corrected some of the 'excesses' of the earlier stage, the balance of the period 1994/2000 is still extremely negative.

For Brazil, therefore, the problem is not to debate forms of integration, conditions or time limits in the FTAA. The essence of the problem is that the FTAA, apart from temporary gains for this or that group, does not correspond to the strategic national interests. Making these concerns prevail means saying "No" to this proposal that will cause us return to a neo-colonial condition.

Brazil, mistakenly, entered the World Trade Organisation under the leadership of the then Minister, Ciro Gomes and Presidents Itamar Franco and Fernando Enrique Cardoso. And that error is now repeated with the signature on the letter from Brazil to join the FTAA, and the absence of political initiatives to prevent the removal of Mercosur [a regional economic agreement of the Southern cone countries - ed.], and other initiatives to promote the discussion of alternative proposals about integration that would preserve our identity and our sovereignty.

A policy of resistance

The agenda of the FTAA does not have any resemblance to the common market integration in Western Europe.

The European Union was planned over a great length of time with more than thirty years of negotiations inside an economic space comparatively more homogeneous than the Americas and included, in addition to the creation of continental institutions, a labour market and funds to compensate those economies most negatively impacted by the trade liberalization. In the case of the FTAA, there are none of these conditions, and the labour market will continue to be separated by the wall between the United States and Mexico.

For the same reason, it is fundamental to build political resistance to this neo-colonial pact.

With this perspective, we are putting forward a proposal in Parliament for the creation of a special commission that will engage all of society in debate about questions related to the FTAA.

Along with Deputy Enrique Fontana, we are introducing a project to carry out a plebiscite on the FTAA at the conclusion of the negotiations. The FTAA is not an inevitable historical fate to which we must submit ourselves.

To say "no" to the FTAA is Brazil's sovereign right. As Ambassador Samuel Pinheiro Guimaraes pointed out in a recent interview, this does not signify the adoption of a position of self-sufficiency or of a refusal to carry out commercial negotiations with the United States or any other country or commercial bloc in the world.

It only signifies the establishment of a norm of intransigent defence of national interests for all negotiations.