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### AUTHORS:

Dot Keet  
Walden Bello

### EDITOR:

Brid Brennan

### DESIGN:

Elisabeth Hoogland,  
Amsterdam

### PRINTING

GCA, Amsterdam

### CONTACT: (SEE BELOW)

Programme Co-ordinator  
Brid Brennan  
Transnational Institute  
Paulus Potterstraat 20  
1071 DA Amsterdam  
The Netherlands  
Tel: 00-31-20-662.6608  
Fax: 00-31-20-675.7176  
E-mail: [bridbrennan@tni.org](mailto:bridbrennan@tni.org)

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Amsterdam, September 2004

As the crisis of neo-liberalisation deepens, there is an urgent need for the articulation of alternatives. The TNI Alternative Regionalisms programme aims to address the question of development alternatives from the perspectives of social movements in Africa, Asia and Latin-America and seeks to effectively influence the shape and substance of regional governance in the South, as key lynchpins in a more pluralistic, flexible and fairer system of global governance. It facilitates cross-regional exchanges and links campaigners and researchers in the development of policy alternatives specifically in the areas of trade, investment and socio-economic development, water and energy privatisation, sustainable environment and security and peace.

The programme is being jointly initiated by the Transnational Institute, Alternative Information and Development Center (AIDC)-South Africa, Focus on the Global South-Thailand, Brazilian Institute of Social and Economic Analyses (IBASE)-Brazil, Red Mexicana de Accion Frente al Libre Comercio (RMALC)-Mexico.

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## INTRODUCTION

As the crisis of globalisation deepens, there is an urgent need for the articulation of alternatives.

This includes addressing the question of developing alternatives from the perspectives of social movements in Africa, Asia and Latin-America and seeking to effectively influence the shape and substance of regional governance in the South, as key lynchpins in a more pluralistic, flexible and fairer system of global governance.

In her article, *Regional Programs in the South and new Peoples Initiatives*, Dot Keet gives an overview of the main features and some current initiatives within three key 'regional' programs between countries in Africa (SADC), Latin America (MERCOSUR) and Asia (ASEAN). Besides identifying the specificities of each region, Keet also identifies the commonalities and bases for comparative analysis and cooperative efforts between civil society organisations within and between these regions. The economic logic in building 'alternative regionalisms' as a base for challenging the currently dominant global system could create a world of cooperating nations within regions negotiating their specific policies as well as cooperating with other regions on matters of shared global concern. The political impetus towards this strategy will depend on the commitment and capacities on non-governmental popular forces to get their governments to pursue this strategic vision.

In *Globalisation in Asia and China: Assessing Costs and Benefits*, Walden Bello reviews the impact of globalisation on Asia and China. He sees China as benefiting from corporate-driven globalisation only if it maintains its low-wage advantage. The same TNCs that once invested in Southeast Asia have moved to China and are prepared to move once more if China loses its competitive edge in labour costs. This may be difficult to imagine at this point, but it cannot be warded off indefinitely if one continues to be dependent on a low-wage, export-oriented, foreign-capital dependent strategy of development. Bello argues that for Southeast Asia and China, the challenge is to adopt development strategies that do not make them hostages to the calculations of transnational firms. In identifying some elements of an alternative development strategy, Bello stresses that Southeast Asia, in light of the competition posed by China, the EU, and the United States at a global level, it is important to be serious about regional integration. To expect to survive as national economies without becoming part of a larger economic bloc coordinating policies in trade, finance, technology, investment, and development is becoming increasingly unrealistic in a world where big economic blocs become the key players. The Association of Southeast Asian Nations (ASEAN), in short, must become a reality, and this can only be done through a combination of political will and a democratisation of the process of regional integration. In conclusion, Bello notes "that South-South cooperation would be a tremendous step forward in the adoption and generalisation of alternative development strategies. The recent formation of the Group of 20, the mainstays of which are Brazil, China, India, and South Africa, is, from this point of view, a very positive development. The G 20 has broken up the EU-US monopoly on trade negotiations. But it has the potential to do much more in terms of transforming the system of global relations of economic power."

*Linking Regional Alternatives for Equitable and Sustainable Development* highlights some initiatives in 2004 in which social movements and civil society organisations (from Latin America, Africa and Asia) who are concerned with regional development options and are creating new networks and alliances both within and across regions.



## REGIONAL PROGRAMS IN THE SOUTH AND NEW PEOPLES' INITIATIVES

by DOT KEET<sup>1</sup> *It has long been recognised by many governments and civil society organisations in the countries*

*of the South that the regrouping of their countries into larger economic units is an important basis for effective and sustainable development. This has become increasingly evident with the ever-growing power and assertiveness of regional groupings created by the richest and most powerful countries in the world, namely the North American Free Trade Area (NAFTA) created by the US, and the ever-expanding European Union. And the political and economic regrouping and mutual strengthening of countries of the South has become a survival imperative in an increasingly competitive and hostile global environment.*

*There have been many 'regional' initiatives of varying size and effectiveness amongst countries of the South over the years, but many have faltered or failed. However, the strategic significance of this approach has not disappeared and there remain important possibilities, strengths – and lessons to be learned – from the experiences of the three largest and/or most significant such regions in the three geographical regions of the South. The following is a broad overview of the main features and some current initiatives within and in relation to three key 'regional' programs between countries in Africa, Asia and Latin America. It is significant that there are both common tendencies as well as distinctive separate features evident in the current situations within, and in relation, to the three regional case studies.*

LATIN AMERICA - MERCOSUR As pressure builds up from the United States towards the extension of its NAFTA region into a

proposed Free Trade Area of the Americas (FTAA/ALCA), there are indications that the Brazilian government (with support from the Argentina?) is intending to direct more of its attentions to MERCOSUR with a view to strengthening and using this grouping as part of a counter-strategy in relation to the FTAA. There are also promising perspectives of a new radical government being elected in Uruguay, and new candidate countries in South America, such as Venezuela, applying to join MERCOSUR. On the other hand, there are various instabilities in the broader region, internal crises in some actual/potential (or associated) member countries, above all Argentina; and as-yet unresolved internal questions around the overwhelming economic preponderance of Brazil within the regional grouping.

These and other issues pose broad paradigmatic and specific policy and political challenges to both governmental and non-governmental actors throughout the region, and it is important that these issues be an integral part of the tactical and strategic debates within the regional movements, as also within the hemispheric social movement campaigns against the FTAA/ALCA; as seems to be the case. The main strategic challenges seem to be

- whether and how strategies within MERCOSUR are to be used and even determined by the struggles against ALCA and neo-liberal globalisation more broadly; but also
- how more detailed programs within the region can be used as important means and ends, in themselves, for more effective and equitable intra-regional cooperation and development; and as a model and potential support for the rest of Latin America and more broadly.

AFRICA - SADC As pressures build up from Brussels for countries in Africa (and the Caribbean and Pacific)

to enter into inter-regional 'reciprocal' free trade agreements with the EU, through the so-called Economic Partnership Agreements (EPAs) under the EU-ACP Cotonou Agreement, the threats to the alternative regional integration and development programs and potential in SADC, and all such regional projects in Africa and elsewhere, are becoming more evident. Already the initial strategic unity of the ACP in confronting the EU, at least on the framework issues and negotiating modalities, is being undermined by certain regions in West and Central Africa (most notably ECOWAS) prematurely entering into their own separate negotiations with the EU – which Brussels energetically welcomes, and has undoubtedly been instrumental (with Paris?) in encouraging in the first place.

At the same time, the intensification of the competing strategies of the US are expressed, on the one hand, in its unilateral African Growth and Opportunities Act (AGOA) which targets 'promising' individual African states and is having divisive effects on actual and potential inter-governmental regional cooperation programs. On the other hand, the US is also utilising bilateral FTAs with stronger economies in Africa, such as Morocco. And, in the case of South Africa, a bilateral agreement is under negotiation located (disguised) within its proposed inter-regional FTA with the Southern African Customs Union (SACU). This FTA will overlap with, complicate and counter the regional potential in SADC. This is already the case with the EU's FTA with South Africa, which is in itself, and explicitly, one of the motivations for the rival US-SA-SACU FTA initiative.

There are some perceptions that the putative African Union, aiming to promote SADC as with all the other African Regional Economic Communities (RECs), as the 'building blocks' towards a continental African Economic Community, could provide the base and bulwark to counter both the EU and US plans. Civil society responses point to the contradictory 'open regionalism' and global integration trajectory of the New Economic Partnership for Africa's Development (NEPAD); promoted, above all, by South Africa, but endorsed by the AU.

In SADC, as such, there are also conflicting interests and policies between various political and economic interest groups in the respective member states, particularly between those in the regional 'super-power' South Africa and in the other countries. Various SADC countries are in the grip of serious internal economic, social and political crises. All these factors have to be, and are, part of the growing regional alliances and actions by civil society organisations and networks across Southern Africa and more broadly in/with civil society organisations in the rest of the continent. The main strategic challenges seem to be

- how to strengthen and use the African Union as a base for united action on the international plane (as happened successfully in Cancun) while at the same time challenging the neo-liberal framework within which NEPAD (and its Northern supporters) are trying to confine the continent;
- how to engage in influencing/changing the inter-governmental programs within the region while at the same time having to challenge and change most of the current governments, and build national and cross-border civil society alliances for both purposes.

ASIA - ASEAN Under long-standing counter-pressures from the US, Canada and other more developed

members of APEC, and the reluctance of Japan to play a countervailing role, the much looser ASEAN regional grouping has failed to pursue its intra-regional economic cooperation potential. The financial crises of the later 1990s affecting various of the member states have reflected and reinforced tendencies towards separate national rather than joint regional strategies against the forces and effects of globalisation. Such divided and divisive approaches are now being deliberately strengthened by more concerted US strategies to secure bilateral FTAs with key targeted countries in the region, such as Thailand, which according to top US trade strategists will then be used to “dock in” other countries in the region, one by one.

On the other hand, new dynamics are opening up in the Asian region generally, and within ASEAN more specifically, with the proposals for a vast FTA between these countries and other East Asian countries, as well as the Asian giants China and India. This poses the possibility of a powerful Asian ‘regional’ economic response to the global dominance of the US and the EU; or, conversely, to the future dominance of Asia by India and/or China as the emerging regional super-powers. It is not yet clear how Japan is/going to respond to these emerging challenges to its own erstwhile economic dominance in Asia. But the US, EU, and other strong economic and political players on the fringes of the Asian region, such as Canada and Australia, are not going to sit back and allow powerful national or regional block competitors to emerge in Asia. The question is whether there is enough unity or political will or vision within the political and economic elites in the respective Asian countries to resist renewed domination from the North.

The failures of the national governing elites, on this as on other intra-regional and anti-globalisation strategies, is already part of the analyses and activities of civil society organisations in this region, but these need to be part of more concerted intra-regional alliances of popular organisations. The main strategic challenges seem to be

- how - or whether - to revive and transform ASEAN as an instrument through which to negotiate alliances with putative Asian superpowers, especially China, and as a base for united action on the international plane, while at the same time resisting the lures and/or dangers of doing this within an Asian ‘free trade’ framework;
- how to engage in influencing/changing the inter-governmental relations and economic programs within the ASEAN region itself, while at the same time having to challenge and change most of the current governments, and build national and cross-border civil society alliances for both purposes.

## Some Contrary Trends and Contradictory Options by the Governments of these Regions

Even as civil society organisations try to take up these issues and challenges within their respective regions, they are faced with three further significant recent developments involving complex international and inter-regional initiatives [see graphic illustration attached].

### International challenges

The processes within the WTO leading up to and in the WTO Ministerial in Cancun, and US and EU government pronouncements since, have brought powerfully to world public attention the recourse by the major powers to their own bilateral, plurilateral and regional strategies vis-à-vis other countries and other regional groupings, even as they have also formally promoted and used the global multilateral system for the interests of their own countries and/or regional groupings.

These *modus operandii* and processes, already well-evident to civil society analysts over many years, have now added greater emphasis to the importance of analysing, exposing and opposing these big power strategies, particularly their respective regional and inter-regional 'free trade' agreements, above all through the FTAA and Cotonou Agreements, but also many others in relation to other regions.

### Inter-regional changes

In part as a response to the added economic and political pressures on their countries and regional groupings by the major powers, many developing country governments are intensifying their efforts to strengthen not only their own political alliances and but also their South-South economic relations. Amongst other things, these latter are taking the form of proposed (free-er) trade agreements between themselves bilaterally, as between South Africa and Brazil, or between South Africa and India; and/or between their respective regions, as in the case of MERCOSUR and SADC. These accommodations to and apparent adoptions of the dominant free trade paradigm by governments - which are supposedly resisting the global powers and questioning the global free trade system/regime, pose significant and urgent challenges to their respective CSOs which are opposed to the expansion and even the continuation of global neo-liberal system.

### Intra-regional alternatives

Both of the above (more recent) developments are adding urgency and greater impetus to the long-standing commitments of many social movement analysts and activists in these countries and regions with regard to their engagements and cooperation around regional strategies and programs on economic, social, environmental and other areas of integration and development. These many changes and challenges are also:

- reinforcing the importance of political cooperation through cross-border initiatives between CSOs themselves for direct people-driven processes in all these spheres in their regions;
- as well as raising more acutely the challenges posed in relation to the official inter-governmental regionalisation processes and the official structures that have been created (but have largely not functioned as required) over many years.

## Some Common Perspectives and Strategic Aims for Civil Society Organisations in the South

In addition to the above - and other - specificities of these three regions, there are clearly also some significant commonalities and bases for comparative analysis and cooperative efforts between civil society organisations within and between these regions, particularly towards:

- a) Interrogating, exposing and opposing the US' economic, political and strategic/military interests, and the *multilateral inter-regional, bilateral country to country, and even unilateral, trade-and-investment strategies* being pursued by the US as the major global super power; but without losing sight of the parallel political (although less overtly militaristic) role and economic aims, and the broadly similar trade-and-investment strategies being used by the European Union.
- b) Analysing the role and positions of the larger, economically stronger and dominant countries within each of these groupings (particularly South Africa in SADC and Africa, and Brazil in MERCOSUR and Latin America), and their potentials to act
  - as cooperative and supportive regional partners/leaders, OR
  - as self-serving regional 'hegemons', or even 'sub-imperialists'
 and, in this context, the importance of their respective civil society organisations in identifying and developing cross-border peoples alliances to promote the former and prevent this latter.
- c) Recognising also the diversity of situations within and between the participating countries in these three key regions in the South, particularly where there are also numbers of small(er) and poor(er) countries, more especially in Southern Africa and South-East Asia, although in a relative sense also in South America; and the need to
  - negotiate policies to deal with uneven levels of development and power between all regional partners, and even conflicting intra-regional interests;
  - at the same time as working on common interests and joint strategies in relation to outside forces and the global system in general.
- d) Analysing and promoting in public understanding the more recent trends towards free trade relations within these respective regions, which will be contradictory to more balanced relations, as in c) above; and exposing and opposing the emerging trends towards accommodations by governments in these regions to the dominant global trade paradigm and power relations through
  - seeking to create free trade agreements between their respective regions as supposedly different 'South-South' relations;
  - proposing to enter into free trade agreements with the largest and most powerful countries of the South, India and China; which could reinforce the potential roles of these latter not only as 'countervailing' powers against the dominant powers of the North, but as new hegemons in the South.
- e) Understanding the diversity and unevenness of development of social movements in the different countries and the respective regions; and focusing analyses and efforts on
  - the need to strengthen such popular forces from local to national and regional levels in each and every sector and in each and every region;

- the need to do so particularly through cross-border intra-regional networks and inter-regional alliances in 'their' respective continents;
- the need to do so simultaneously through inter-regional and sectoral alliances with other regions elsewhere in the South;
- the importance of developing these into alliances with counterparts in the North, particularly with civil society networks located within the hegemonic super-powers.

#### Building 'alternatives regionalisms'

The economic logic in building 'alternative regionalisms' as a base for challenging the currently dominant global system and regime could also contribute towards a 'deglobalisation' of the world. This would create a world of cooperating nations within regions negotiating their specific policies as well as cooperating with other regions on matters of shared global concern.

The political impetus towards this strategy will depend on the commitment and capacities of non-governmental popular forces to get their governments to pursue this strategic vision.

#### ENDNOTE

- 1 Prepared for the "Alternative Regionalisms Project" involving AIDC (South Africa and SADC), IBASE (Brazil and MERCOSUR), Focus on the Global South (Thailand and ASEAN), RIMALC Mexico, and coordinated by the Transnational Institute (TNI - head-quartered in Amsterdam). Dot Keet Research Associate of AIDC, Cape Town: dkeet@iafrica.com (November 2003).

## GLOBALISATION IN ASIA AND CHINA: ASSESSING COSTS AND BENEFITS

by WALDEN BELLO<sup>1</sup> *In this article, I would like to look at selected aspects of globalisation in Asia, discuss the economic*

*and social implications globally for Asia and the world of the industrial development of China, and offer some suggestions on where to bring the ASEAN-China relationship.*

*The 1990's were hailed as the decade of globalisation. Yet the 1990's, it is now well established, were a period of economic stagnation and rising poverty for vast parts of the developing world. As noted by the UNDP's Human Development Report 2003, during the 1990's, the number of extremely poor people throughout the world increased by 28 million. More specifically, average per capita income growth was less than 3 per cent in 125 developing and transition economies, and in 54 of them average per capita income fell. Region-wise, the number of poor increased in Latin America and the Caribbean, Central and Eastern Europe, the Arab states, and Sub-Saharan Africa. Instead of becoming a great new frontier for exploitation, Central and Eastern Europe exacerbated the problem, with the number of people living in poverty tripling to 100 million in the 1990s.*

*In the North, stagnation and rising unemployment were the rule in Japan and Europe. In the US, the nine-year boom did not arrest worsening income distribution. Corporate profits stopped growing after 1997, and when the boom finally ended in the bust of 2001, rising unemployment and rising poverty became central features of the world's most globalised economy.*

*But while the impact of globalisation may be dismal in other parts of the world, Asia seems to be the exception. Globalisation is associated with the rise of China, which is projected by some to be on the way of surpassing the US in terms of size by the middle of this century. But is Asia, indeed, the exception?*

THE ASIAN FINANCIAL CRISIS First of all, it must not be forgotten that the most dramatic economic crisis of the era of

globalisation occurred in Asia. This was the Asian financial crisis of 1997. The Asian financial crisis was but one of about eight crises that had been brought about by liberalization of financial flows since the 1970's. But it was the most drastic and far reaching, with its shock waves felt in Russia and Latin America.

What brought about the crisis is now undisputed. No longer do we hear the explanation that we often heard before—that it was created by corrupt crony capitalism in which a culture of non-transparency hid bad business decisions. Even Robert Rubin, the former Treasury Secretary of Bill Clinton who was one of the central players during the crisis, now admits that the problem in great part stemmed from the uncontrolled and unregulated movement of speculative capital that was unleashed by the partisans of capital account liberalization.

Attracted by high interest rates in economies that followed policies of capital account liberalization prescribed by the IMF and the US Treasury Department, a net inflow of \$100 billion was experienced by the economies of East and Southeast Asia between 1994 and 1997. That money went mainly to speculation in real estate and the stock market. When the oversupply of funds in these sectors started to create dislocations in the rest of the economy, specula-

tive capital began to exit, and the exit turned into a panic as foreign exchange speculators like hedge fund operators took advantage of the rush for the exits make a profit. Some \$100 billion left these markets in a few short weeks in the summer of 1997, bringing down the economies with them.

1998-2000 were years of stagnation for most of these economies. In a few short weeks, over one million people in Thailand and some 22 million in Indonesia fell below the poverty line. Recovery took place, but most of the countries lost their dynamism, and recovery was more sustained in those countries, such as Malaysia and Thailand, that undertook programs disapproved by the IMF, such as capital controls and expansionary fiscal policies. But for the most part, the so-called "Asian miracle" over in those countries with which it was most associated: Korea, Indonesia, Malaysia, and Thailand.

VICTIMS OF THEIR OWN STRATEGY Capital account liberalization and financial speculation felled these economies. But they

were already in trouble even before events of 1997. The main driver of their growth had been export-oriented manufacturing, or industrialization pursued via the manufacture of commodities using cheap labor. In Southeast Asia, the process had been driven by Japanese capital, which exported some \$15 billion to the region in the period 1985-1991 as the appreciation of the yen forced on Japan by Washington made manufacturing in Japan less competitive, forcing the keiretsu or Japanese conglomerates shifted their manufacturing operations to Indonesia, Thailand, Malaysia, and China.

But the massive inflow of investment started to taper off by the mid-1990's. Even as capital-account liberalization was undermining these economies by making them prey to the volatile movements of speculative capital, the dependence of their industrial and manufacturing sectors on direct foreign investment became a source of weakness and crisis as the wage differentials between them and China became more and more pronounced in the mid-1990's. By the late nineties and early years of this century, direct foreign investment into these economies as a proportion of total foreign direct investment was greatly reduced, while China's share shot up. By 2002, China in fact was attracting \$45 billion a year, a figure second only to that for the United States.

But not only were the Asian economies, in fact, losing out in terms of foreign investment. They were losing markets to China and, indeed, they were losing their own markets to extraordinarily cheap imports or smuggled goods from China. *The pioneers of the strategy of foreign capital-driven, low-wage-based, export-oriented growth had become victims of their own strategy.*

CONSIDERATIONS ON CHINA So we come to China. When it comes to representing the success of globalisation, China and

India are often trotted out. Owing to our greater familiarity with the Chinese case, the following remarks will be confined to China.

There are a number of considerations that nuance the commonly accepted picture of China benefiting from globalisation.

First of all, if benefiting from globalisation is identified with the adoption of free-market policies, then contrary to the impression painted by neoliberal economists, China did not follow the kind of anti-state policies that were prescribed to and created such disasters in many developing countries. Latin America went the free market route beginning in the 1980's and ended up in crisis and stagnation by the 1990's. East Asian and Southeast Asian countries liberalized their capital account in the early nineties, and this led to the end of the Asian miracle in 1997. In contrast, China kept itself immune from the damaging gyrations of speculative capital by maintaining strong capital controls. The state is the leading force in the economy, not only as a policymaker but also as a productive unit owning or managing multitudes of enterprises. China's market has been one huge protected market, and only recently, with China's entry into the WTO, is it opening up, cautiously. The point is that if free market policies are said to be the key to economic success in the era of globalisation, then certainly China is no exemplar of such policies.

Secondly, China's growth has been impressive but it has created tremendous internal contradictions and pressures. Growth has been concentrated in the coastal regions, with the Western and Northwestern provinces being left behind. Despite the fact that 123 million people have been lifted out of poverty by China's growth, inequality has shot up. As one analyst notes,

*China is already troubled by problems arising from perceived inequities between the new classes of "haves" and "have nots." These problems exist at macro (regional) and micro (neighborhood) levels. Efforts to meet WTO requirements could worsen geographic and urban/rural frictions, widen an already growing gulf between rich and poor, and generally make China more ungovernable. WTO-mandated reforms will almost certainly worsen existing problems with massive unemployment, increases in uncontrolled migrant populations, major public safety and public health issues, and rapid degradation of social welfare infrastructure.*

Moreover, as China has become more and more central to global growth, so have the implications of its economic and social contradictions become more global in their implications.

Third, the accepted picture is that of China's growth stimulating growth in other economies. But there is also another side to this: China's growth also threatens to add pressures for global stagnation and deflation, which have emerged as the main trends in the global economy. Let us digress for the time being and focus on the crisis of overcapacity at the global level before returning to China.

The context of developments in China is tremendous global industrial capacity all around. By the 1990's, the indicators were stark. The US computer industry's capacity was rising at 40 per cent annually, far above projected increases in demand. The world auto industry was selling just 74 per cent of the 70.1 million cars it builds each year. So much investment took place in global telecommunications infrastructure that traffic carried over fiber-optic networks was reported to be only 2.5 per cent of capacity. In steel, excess capacity was estimated nears 20 per cent. Former General Electric Chairman Jack Welch claimed that "there was excess capacity in almost every industry." Indeed, by the end of the 1990's, the gap between capacity and sales was, according to the Economist, was the largest since the Great Depression.

In the US economy, as noted above, profits stopped growing after 1997, and this was one of the factors leading firms to a wave of mergers, the main purpose of which was the elimination of competition. The most prominent of these were the Daimler Benz-Chrysler-Mitsubishi union, the Renault takeover of Nissan, the Mobil-Exxon merger, the BP-Amoco-Arco deal, and the blockbuster "Star Alliance" in the airline industry. In 2000, global merger and alliance deals, James Crotty points out, were worth \$3.5 trillion, about six times their value in 1994. The \$1.1 trillion worth of cross-border mergers in 2000 was thirteen times the figure for 1991, signifying a "merger and alliance wave of historic proportions."

A major reason for the continuing overcapacity stemmed from the dynamics of the neoliberal policies that were generalized in the 1980s and 1990s. The process was, however, one fraught with crisis, both in the North and the South, for liberating capital from the constraints of states that had imposed a compromise between labor and capital, and between global capital and national elites, meant, in the context of international competition, bringing down wages—which meant, in turn, choking off the engine of effective demand that capital needed to reproduce itself.

As even as structural adjustment limited global demand, the neoliberal policies of opening up national markets and removing restrictions on the movement of investment and capital meant intensified competition for this limited global market. The so-called "core industries," such as automobile and steel, that had massive investments sunk in plant, machinery, and infrastructure were already burdened with excess capacity in the late eighties, yet they were forced to invest even more in global plant to take advantage of the so-called "economies of scale" to reduce their unit costs and thus cut back on their losses. The important thing became holding on or expanding market share in a stagnant global market.

Let us at this point return to China. Tremendous new capacity is being added in China, but it is not mean to fill expanded domestic purchasing power but to serve an already weakly growing global market where there is already tremendous overcapacity. The problem is that China's strategy of growth seems to be based less on increasing domestic demand than on dominating world markets. Moreover, US, European, and Japanese TNCs move to China, less to exploit a domestic market but to make it a global manufacturing base.

As one account notes, though China's population is 1.3 billion, 700 million—or over half—live in the countryside, earning an average of only \$285 a year. These “minuscule wages have slowed China's transition to a consumption-driven economy along the lines of that of the US.” Not surprisingly, as one analysis puts it, “China is producing so fast that it may be impossible for the population to absorb it all. Already there are price wars in industries like autos, mobile phone, and auto parts. Excess capacity first. Price wars next. Then a drop in investments. China's growth could slow sharply next year, damaging the mainland itself and neighboring countries increasingly dependent on China. And it could hurt manufacturers worldwide if those excess goods get exported.” In cars, for instance, local and foreign manufacturers now have the capacity to produce 2.7 million cars, one million more than Chinese consumers are projected to absorb. And excess capacity could grow to 2.3 million cars by 2005.

#### Globalisation in Asia: a Balance Sheet

So far, we have advanced the following points regarding the process of globalisation in Asia.

First of all, it is not true that the impact of globalisation on Asia has been largely beneficial. Certainly, the experience of Korea, Indonesia, Thailand, Malaysia, and the Philippines, all of whom went through the cauldron of the Asian financial crisis and all of whom are now victims of the foreign-capital-intensive, low-wage, export-oriented strategy that they pioneered, suggests a more ambiguous outcome.

Second, the picture about China being a beneficiary of globalisation is too simple. Tremendous inequalities, among regions, among classes, between countryside and city, are driving forward the process of Chinese high-speed growth in directions that may result in greater, rather than less, instability, with all sorts of consequences for the rest of Asia and the world.

Third, we must also nuance the picture of China's growth serving as a stimulus to the global economy. In fact, since China's strategy and that of the TNC's is not to hitch investment and growth to significantly expanding local demand but to serve as the low-wage manufacturing base for the global market, massive investment in China is significantly adding to the global problem of overcapacity, stagnation, falling prices, and falling profits. China in my view is in fact less of a savior and more of a problem for the global economy.

#### Beyond Corporate-driven Globalisation

The picture we have drawn so far sees China as benefiting from corporate-driven globalisation only if it maintains its low-wage advantage. The same TNCs that once invested in Southeast Asia have moved to China and are prepared to move once more if China loses its competitive edge in labor costs. This may be difficult to imagine at this point, but it cannot be ward off indefinitely if one continues to be dependent on a low-wage, export-oriented, foreign-capital dependent strategy of development.

For Southeast Asia and China, the challenge is to adopt development strategies that do not make them hostages to the calculations of transnational firms. What could be the elements of such development strategies?

First of all, a key element is to base growth on the expansion of domestic demand rather than export markets. Instead of depressing wages, this would mean raising wages and moving towards greater equality in income distribution. This means both Southeast Asia and China must cease to be low-wage manufacturing bases but expanding markets stimulating domestic industry.

Second, neither Southeast Asia nor China can continue on the path of high-speed growth without continuing to incur the tremendous ecological devastation that has accompanied this strategy. Growth rates need to be significantly moderated, and this is only possible if there are policies that promote the equitable sharing of a more moderate expansion of the economy. A strategy of sustainable development would also put agriculture back into the center of the development process, which would mean moving away from the policies of liberalization and benign neglect that are currently dominant.

Third, if China has any key lesson for Southeast Asia, it is the importance of strong state leadership of the development process. 10 years of deregulation and privatization need to be reversed throughout the region. A state capable of disciplining foreign capital and using it to achieve national priorities is more essential than ever.

Fourth, for Southeast Asia, in light of the competition posed by China, the EU, and the United States at a global level, it is important to be serious about regional integration. To expect to survive as national economies without becoming part of a larger economic bloc coordinating policies in trade, finance, technology, investment, and development is becoming increasingly unrealistic in a world where big economic blocs become the key players. The Association of Southeast Asian Nations (ASEAN), in short, must become a reality, and this can only be done through a combination of political will and a democratization of the process of regional integration.

Fifth, moving towards domestic-market oriented sustainable development strategies will necessitate a more congenial system of world economic governance. The domination of institutions like the International Monetary Fund, World Bank, and World Trade Organization has been one of the major blocks to the adoption of alternative development strategies. Indeed, the IMF and the World Bank have been the strongest promoters of export-oriented manufacturing as strategy for development, while the World Trade Organization protects the north's technological monopoly and subsidized agriculture. A more pluralistic system of world economic governance—where the power the current central institutions is reduced and that of other actors, like the International Labor Organization (ILO) and the United Nations Conference on Trade and Development (UNCTAD), is increased—is necessary to create the space for developing countries or developing country blocs to adopt strategies of their choice.

Finally, it must be noted that South-South cooperation would be a tremendous step forward in the adoption and generalization of alternative development strategies. The recent formation of the Group of 20, the mainstays of which are Brazil, China, India, and South Africa, is, from this point of view, a very positive development. The G 20 has broken up the EU-US monopoly on trade negotiations. But it has the potential to do much more in terms of transforming the system of global relations of economic power. With shared trade and investment strategies within a paradigm that focuses on the inclusion instead of exclusion of the vast millions of the developing world into the development process, the G 20, working with the other developing countries, can play a key role in reversing the immiserizing effects of globalisation on most of the world's population.

## ENDNOTE

- 1 Walden Bello is Professor of sociology and public administration at the University of the Philippines and Executive Director Focus on the Global South, a research, analysis, and advocacy institute connected with Chulalongkorn University in Bangkok, Thailand. He is a recipient of the Right Livelihood Award (also known as the "Alternative Nobel Prize") for 2003.

# LINKING REGIONAL ALTERNATIVES & PEOPLES PERSPECTIVES

by BRID BRENNAN<sup>1</sup> *In November 2003, TNI convened a two day strategy meeting with partners who are engaged and concerned with regional development options and in the strategic possibilities for regions in the South (e.g Mercosur, SADC and ASEAN) to become an economic and political base to deal with local.National and intra-regional development challenges and to deal more effectively with the global economy.*

This strategy meeting refined the Alternative Regionalisms project concept in light of post-Cancun developments and the renewed interest in regionalisms. Three main focus inter-regional activities were identified as priorities in 2004:

- African and Latin American Peoples Dialogue on Alternative Regionalisms for Equitable and Sustainable Development in Johannesburg 7-9, September 2004
- ASEM5 Peoples Forum : People's Actions for Human Security in Asia and Europe in Hanoi 6-9, September 2004
- Linking Alternatives : Latin American, Caribbean and European Social Encounter in Guadalajara, May 26-27, 2004

## African and Latin American Peoples Dialogue

This Peoples Dialogue proposes to build on popular contacts and organisational relations already existing within and between the regions of SADC (Southern African Development Community) and MERCOSUR (Mercado do Cono Sur). AIDC (Alternative Information and Development Center) South Africa and IBASE Brazil, are jointly preparing the Peoples Dialogue together with social movements and people's organisations from the countries of both regions. The Peoples Dialogue seeks to:

- explore the possibilities for alternative regional development strategies and to pose challenges to effect fundamental changes in the currently dominant global economic system and regime
- to investigate and promote the possibilities between governments, and through people's initiatives, and/or where possible by people's initiatives through governments, to create regional strategies to challenge and change the currently dominant globalised economic system.
- promote intra-regional solidarity between peoples, and inter-actions between peoples and their governments and inter-regional solidarity between peoples organisations, as well as relations between their governments.

This preliminary working conference is conceived as the beginning of a longer and broader process of Peoples Dialogues which will be pursued in many forms and at different levels.

This Southern African/South American Peoples Dialogue is also located and related to wider

processes engaging similar organisations and equivalent regions in Africa, Latin America and the Caribbean, Asia and the Pacific. Such people's initiatives will also be shared with counterpart organisations in the North (Europe and US) to engage them in challenging and changing the internal and global policies of their own governments towards the South.

#### ASEM5 Peoples Forum

Building on existing solidarity relations between social movements and civil society organisations in Asia and Europe, the Asia Europe People's Forum (AEPF) was initiated in response to the ASEM (Asia Europe Meeting, established in 1996) – as a Summit of ASEAN governments plus China, Japan and South Korea and the European Union member governments. The AEPF is committed to developing an alternative Asia-Europe relations and a people-driven paradigm through linking and strengthening peoples experiences and analysis for human security, and democratic, sustainable, social, and environmental development.

The ASEM5 Peoples Forum, Hanoi, September 6-9, 2004, focuses on the theme "People's Actions for Human Security in Asia and Europe". The ASEM5 Peoples Forum addresses the various aspects and common experiences of people, their livelihoods and struggles in Asia and Europe in the following framework

- Peace and Security – The challenges to Peace Movements
- Economic & Social Security - Privatization & Liberalization
- Democratization and People's Rights
- Peoples' Responses – Renewing Cross-regional Solidarity.

#### *Asia and Europe: New Conjunctures*

*by Charles Santiago*

*Monitoring Sustainability of Globalisation, Malaysia*

At the regional level countries of Asia and Europe are confronted with a possibility of a new constellation of power. In Europe the enlargement processes and the increasingly dominant role of China and India in Asia could lead to a new geo-political leadership in the respective regions. This situation could lead to dominant political, economic and military centers in the respective regions - developments that would undermine the interests of poorer and politically less influential countries. There is a fear that the new geo-political powers will further entrench their position in the region and perpetuate neo-colonial relationships with the poorer nations, especially the less developing countries or 'countries in transition'.

The dismantling of the social welfare state in most European countries as well social safety protection structures in Asia is significant. Increasingly, the provisioning of essential services such as health care, water, education, electricity etc is distributed through the free market. Governments embracing the neo-liberal ideology have abdicated their constitutional responsibilities and are privatizing essential services through the market in the name of efficiency. The market organizes the provisioning of essential services premised on the profit motive. In this neo-liberal environment,

the people are made vulnerable and left to the mercy of the market. Human security is compromised when the provisioning of essential services are distributed through the market.

The common realities and experiences of less-developing countries and 'countries in transition' in both the regions need to be highlighted and examined not only in the context of Asia-Europe relations (ASEM and EU policies) but also of the Bretton Woods institutions. Their impact on the development strategies of poorer ASEM countries is significant. Countries embracing IMF conditionality or accepting Overseas Development Aid of the EU are forced to liberalize their economies. As a result, recipient nations are confronted with a worsening poverty and income disparity situation, environmental degradation, loss of domestic natural resources. Home grown businesses are unable to effectively compete with foreign multinational corporations. In fact, countries development policies are dictated by multilateral institutions. Furthermore, a cost and benefit analysis has to be conducted, reviewing the accession of LDC's and 'countries in transition' to multilateral institutions and foras including the ASEM,WTO etc

The US unilateral economic, political and military policies have also to be factored into the analysis of transformation in both regions. US polices have ramifications for the future of ASEM countries and its people, especially in the area of peace and security. In fact, ASEM countries are re-prioritising and reshaping their domestic policies in order to accommodate US concerns, namely budgetary allocation for arms purchase and regional and national security interests. Furthermore, states are formulating domestic security laws to curb freedom of expression and associations, stifling dissent and suppression of legitimate domestic opposition as part of anti-terrorism efforts. In this context, the consideration of the EU as a countervailing force to the US has to be critically reassessed.

#### Linking Alternatives:LA-EU Social Encounter

Civil society organisations from across Latin & Central America and the Caribbean together with counterparts from Europe organised a Social Encounter focused on "Linking Alternatives" in Guadalajara,May 26-29, 2004. This Social Encounter was held on the occasion of the 3rd Heads of State LA-EU Summit, with the aim to:

- address the social and environmental impacts of the EU agreements and investments in Latin America
- analyse the ways in which we organise and define diverse strategies giving voice to the proposals and decisions of the excluded
- develop common initiatives and campaigns

A initial Plan of Action was developed – for further updates e-mail:  
secr-cont@uol.com.br  
bridbrennan@tni.org

ENDNOTE

- 1 Brid Brennan is a fellow of the TNI and the coordinator of the Alternative Regionalism Program

*Peoples Rights come First*

## Guadalajara Social Declaration – on the occasion of the Summit of Latin America &amp; the Caribbean - European Union

On the occasion of the III Summit of Heads of State and Government of Latin America & the Caribbean and the European Union taking place in Guadalajara, Xalisco, social and civil organisations from both continents address the following declaration to our peoples, the international public opinion, the mass media and the heads of state and government gathered here.

This government summit is taking place in a context of serious drawbacks and threats for the self-determination of nations, and global human rights and peace in Europe and America, as well as in the rest of the world.

Latin America has been suffering neoliberal policies for two decades and it remains the region in the world with the highest level of inequality. The extreme concentration of wealth and land is aggravated by foreign debt, resources devoted to militarism, corruption and impunity. On top of this, Latin America and the Caribbean are nowadays overflowed with “free trade” agreements with the United States. Those agreements are meant to impose an integration process subjugated to US hegemony, which will culminate in the Free Trade Area of the Americas (FTAA).

Simultaneously, bilateral agreements are forcing Europe and America to adopt those same models that foster unemployment and work instability, transforming health, education, social services, culture and social security into mere goods, and putting an end to family farming through the Common Agricultural Policy (CAP). The Constitution that the European Union is about to approve takes on this approach without its peoples’ consent. That is an example of the “social cohesion” model that the EU expects to foster in Latin America and the Caribbean.

The last Summit of Latin America & the Caribbean and the European Union took place in Madrid in 2002. Since then, the economic and social problems that were allegedly sought to be solved by strengthening the relationships between the two regions show no sign of improvement; actually, the hard life and working conditions faced by millions of people have worsened.

The impression that Latin America and the Caribbean will benefit more from their relationship with the European Union than with the United States after market liberalisation is false. And this is so because, behind the EU “good intentions”, the Union is actually seeking to broaden markets for its large corporations in services and government purchases, as well as guarantees for its big investors. From an economic or business point of view, the agreements that the EU has been negotiating or signing with countries or regions in Latin America do not differ from the ones it has with the United States. Therefore, those agreements would consolidate for the decades to come the privileges that existing or new European transnationals have been enjoying at the expense of the interests of developing countries. The current neoliberal proposals made by the EU to Latin America do not represent a real alternative to the FTAA. In fact, those proposals utterly comply with the economic measures prescribed by the IMF, the WB, the IDB and the WTO. The EU is using its co-operation poli-

cies as an instrument for the penetration of its corporations. On the other hand, co-operation agreements on security are helping militarising the continent.

It is worrying, though it certainly does not take us by surprise, that the EU demands Latin American countries to successfully settle all aspects concerning the outdated negotiations of the WTO Doha Agenda. This is nothing more than an old strategy that pursues the same interests through interregional negotiations, bypassing disagreements and impasses in the multilateral framework. We already raised the alarm in the case of the FTAA and the WTO, and must raise it again concerning the agreements with the EU. And we must do so because including in the agreements issues such as investments, government purchases, competition policies, and privatisation of natural resources and services, restricts sovereignty and determines the economic and social development of Latin American and the Caribbean countries. That is why those issues must be completely dropped out from the negotiations. Furthermore, access to European markets will prove to be profitable for big producers, but not necessarily for small farmers who produce for the domestic market and who lack any kind of protection.

For these reasons, the peoples of Europe, Latin America and the Caribbean reject agreements which continue to give priority to "free trade" over political dialogue and co-operation. We, the peoples, long for a fair and equal relationship based on the full respect of human, economic, social, cultural and environmental rights.

The social and civil organisations from Europe, Latin America and the Caribbean gathered in Guadalajara declare and demand the following:

- A clear and firm declaration from the governments taking part in this Summit against the unilateral military and political operations in the Middle East by central powers. Those operations, which have led to an immoral and illegal war, violate all international conventions and laws adopted so far by the international community. We demand the strong condemnation of the criminal tortures inflicted by the United States and its allies to prisoners of war in Iraq, as well as efforts to solve all military conflicts and the active promotion of peace in the world. We demand the withdrawal from Iraq of all foreign troops.
- To stop the growing process of military occupation in Latin America and the Caribbean, where all ways to development are hampered by the systematic violation of human rights, and foreign political and military interference, frustrating thus the aspirations of the hard-hit peoples of Haiti, Colombia and Bolivia, in particular.
- A common and effective effort by European, Latin America and the Caribbean governments aimed at giving priority to the civil, political, economical, social, environmental and cultural rights of their peoples and organisations over trade liberalisation.
- An end to Plan Colombia and Plan Puebla Panamá.
- The promotion of a solidarity model for co-operation based on the respect of human rights of

all peoples, including indigenous communities and peoples of African descent.

- Developed countries must comply with their commitment to allocate at least 0.7 of their GDPs to development co-operation. They must also strive for new means of income re-distribution at domestic and international level aimed at sustainable development and social justice, such as social compensation funds or transfer taxes on speculation capitals. The EU must promote measures to stop capital and resource transfers from developing countries to industrialised countries.
- The EU, being the main foreign creditor of Latin America, must cancel the “hideous” debt and re-negotiate the public foreign debt according to real sustainable development criteria for developing countries.
- Any development co-operation initiative financed by the UE must be defined only after previous consultation and with full participation of the target groups, as stated by the ILO Convention 169 and the ESCR. The growing externally-imposed conditions that subordinate development co-operation to a commercial agenda based on structural adjustment programmes that have traditionally failed are unacceptable. The peoples in Europe, as well as in Latin America and the Caribbean, must have their say in co-operation amongst nations.
- We demand the legal and economic recognition of peasant and indigenous family farming as a productive sector which does not only guarantee food sovereignty but also environment protection, and the social, political and cultural cohesion of nations and regions. We demand the free use of native seeds and a ban on their co-existence with genetically modified organisms. We demand that strategic products, which guarantee the food sovereignty of developing countries, be excluded from the trade liberalisation process. We demand the elimination of unfair trade practices, such as the allowance of subsidies to support import costs below actual production costs.
- We demand the respect of all workers’ rights according to and complying with the ILO conventions on freedom of association and the right to collective bargaining, working stability, the elimination of forced and compulsory labour, the abolition of child labour and the elimination of discrimination in the workplace, especially those included in the 1998 ILO Declaration on Fundamental Principles and Rights at Work. We demand a close monitoring of the compliance of the aforementioned conventions especially by transnational corporations. We demand to put an end to the trend towards longer working hours and working instability.
- We reject the patriarchal model that aggravates inequality towards women, exacerbating violence and leading to the femicide taking place in Latin America and Europe. The European Union and Latin America must make a serious commitment to achieve gender equity.
- To revert the longstanding exclusion processes of native peoples and peoples of African descent by promoting the respect for their autonomy, culture and traditional organisation in the framework of ILO Convention 169 and in compliance with the San Andrés Agreements.

- We reject patents and intellectual property rights on ancient knowledge, medicines and biological diversity, since it is the peoples and communities the ones preserving and promoting diversity, in the framework of their right to their land.
- The commitment to unconditionally respect the natural resources and the biodiversity in Latin America and the Caribbean, and to prevent any kind of mechanism allowing for water looting, land exploitation, water pollution, mineral extraction and wild lands expropriation, and the related dangerous environmental risks.
- To promote a new social security system which is public, universal and global, and particularly to stop the threat to pensions.
- To revert the new wave of privatisations, aimed at commercialising basic rights and services, such as education, energy, water and health, and affecting therefore the poorer. Public goods and services (water, land, biodiversity, education, health, culture, etc.) are not subject to negotiation.
- To adopt the required measures to stop discrimination, racism and xenophobia against immigrants and other minorities, and to acknowledge their human and civil rights. Immigration recipient countries must wholly acknowledge immigrants' individual and collective rights, and respect their dignity and cultural contribution.
- We denounce the European Union attitude not to condemn the Helms-Burton law. The Summit should demand the United States to lift the embargo on Cuba, which seriously damages Cuban self-determination and economy, and its population living conditions. We demand that co-operation agreements between Latin American and the European Union and Cuba be saved, and in particular to reject the new aggression plans against Cuba proclaimed by Bush, which constitute the main and more serious risk for stability and peace in the American continent.

We, the participants in this social meeting, acknowledge the right of any human being to freedom of expression and the right to express ideas publicly. In the framework of the peaceful demonstrations we are carrying out in this III Summit of Latin America & the Caribbean - European Union, we condemn the acts of harassment, intimidation and provocation we are subject to by public or private security institutions here.

Finally, we, the civil society in Latin America, the Caribbean and Europe, are alert, mobilised and committed to the construction of real spaces for social consensus, as a basis for democratising bi-regional processes. Faced with demagogy, omissions and threats coming from government summits such as this one, our answer is clear: we rely on the fight of our peoples for the construction of fair societies, and of a better and possible world.

*PEOPLES RIGHTS COME FIRST!*  
*Guadalajara, Mexico, 28 May 2004*

## RESOURCES & REFERENCES

TNI is developing a website dedicated to showcasing *Regional Alternatives for Equitable and Sustainable Development* in English and Spanish: <http://www.tni.org>

An E-bulletin, *EU & South Watch* – provides updates, analysis on main trends and developments in:

- South Regions (MERCOSUR, SADC and ASEAN)
- EU FTAs/EPAs & Framework Agreements with South regions and countries
- People's Responses & Alternatives

EU & South Watch can be requested at: [eusouthwatch@tni.org](mailto:eusouthwatch@tni.org)

### Additional Web Resources

[www.focusweb.org](http://www.focusweb.org)

Focus on the Global South

[www.aidc.org.za](http://www.aidc.org.za)

The Alternative Information and Development Center (AIDC)

[www.ibase.org.br](http://www.ibase.org.br)

IBASE

[www.redes.org.uy](http://www.redes.org.uy)

REDES

RMALC

[www.rmalc.org.mx](http://www.rmalc.org.mx)

La Alianza Social Continental (ASC)

Hemisphereic Social Alliance (HSA)

[www.asc-hsa.org](http://www.asc-hsa.org)

During 2004, in preparation for a Regional Consultation in Southern Africa (Harare, Zimbabwe, 21-23 July 2004) and for the African and Latin American People's Dialogue (Johannesburg, 6-10 September 2004) AIDC (Alternative Information and Development Center) has prepared the following Briefings:

- # 1 The Strategic Aims of Regional Cooperation and Integration in Africa
- # 2 Counteractive Forces against Regional Development Strategies in Africa
- # 3 Challenging WTO Prescriptions against Regional Development Strategies
- # 4 International Interests and Big Power Strategies on Regional Integration(s)
- # 5 South-South Regional and Inter-Regional Alliances and Alternatives

available from AIDC – hard copies

available on line - [www.tni.org/altreg/index.htm](http://www.tni.org/altreg/index.htm)

### Other relevant publications

Asia Europe Crosspoints: *Thematic papers and analysis on ASEM & EU-Asia Relations*, TNI September 2002 revised in August 2004

Mercosur for Sale? *The EU's FTAA and the need to oppose it* by Claudia Torelli REDES, Uruguay, TNI/CEO Info Brief, August 2003

Enforcement of international trade regimes *between the European Union (EU) and the Common Market of the South (MERCOSUR)* by Christain Russau, FDCL, Berlin January 2004

It has long been recognized by southern governments and civil society organizations that the regrouping of their countries into larger economic units is an important basis for sustainable development. More recently, especially post Cancun, that regionalism is essential if developing countries are to defend their interests in the face of globalisation and strengthen their capacity to shift the global balance of power.

In this Briefing, authors Dot Keet and Walden Bello identify the challenges facing social movements and civil society organisations in the South who seek to engage in shaping a regional integration process which can serve both as a basis from which to assert the prioritisation of endogenous development and as the building blocs towards a more decentralised, pluralistic form of global governance.

The Briefing also profiles some cross regional civil society initiatives addressing alternative regional integration processes: Southern African-South American Peoples Dialogue, Johannesburg, September 7-10, 2004; ASEM 5 Peoples Forum, Hanoi September 6-9, 2004; Linking Alternatives: Latin American, Caribbean and European Social Encounter, May 26-29, 2004 Guadalajara, Mexico.

The Transnational Institute (TNI), founded in 1974 is an international network of committed activist-scholars, researchers and writers from the regions of the South, and from Europe and the US. In the spirit of public scholarship and aligned to no political party, TNI seeks to create and promote international co-operation in analyzing and finding solutions to such global problems as neoliberal globalisation, militarism and conflict, poverty and marginalisation, social injustice and environmental degradation. It aims to provide intellectual support to those movements concerned to steer the world in a democratic, equitable and environmental sustainable direction.

The TNI Alternative Regionalisms programme aims to address the question of alternative development from the perspectives of social movements (and regional coalitions of civil society organizations) in Africa, Asia and Latin-America and seeks to effectively influence the shape and substance of regional governance in the South, as key lynchpins in a more pluralistic, flexible and fairer system of global governance. It facilitates cross-regional exchanges, strategising and the development of common advocacy positions between social movements and civil society organisations on a South-South basis, as well as with counterparts in the North, particularly those working on EU & US strategies vis a vis the regions of the South.

It links campaigners and researchers in the development of policy alternatives specifically in the areas of trade, investment and socio-economic development, water and energy privatisation, sustainable environment and security and peace.

The programme is being jointly initiated by the Transnational Institute, Alternative Information and Development Center (AIDC)-South Africa, Focus on the Global South-Thailand, Brazilian Institute of Social and Economic Analyses (IBASE)-Brazil, Red Mexicana de Accion Frente al Libre Comercio (RMALC)-Mexico.