

**THE NEW WORLD MODEL, POVERTY & DEMOCRACY:  
FACING THE CONSEQUENCES**

**PRIME MINISTER SAID MUSA  
ADDRESS TO CHATHAM HOUSE**

**LONDON, 3 DECEMBER 2003**

Mr Chairman, it is a great pleasure to be here in this prestigious hall of Chatham House to which so many of the world's problems have been brought for discourse and debate. I count it a privilege to be here today to share with such a distinguished gathering my concerns about the world we live in at the dawn of the 21<sup>st</sup> Century.

It was a century ago that the poet Tagore wrote of a world in which 'the few are more than the many'. He meant, of course, that in those rugged years of the late 19<sup>th</sup> century a few in the world were more privileged, and thought of themselves as more precious, more special, more human even than the great multitude of humanity. For all our 20<sup>th</sup> Century 'progress', that world of disparity and dominion - with a frightening starkness - is the world of these first years of the 21<sup>st</sup> Century: a world reordered, not in the sense of newness but of resurrection. And we must not believe that such 'reordering' is wished for only by the ideologues of market fundamentalism who without apology discard the hard won gains of internationalism for a new American 'Imperium'.

Similar delusions are beginning to be a part of the European political scene. In April of last year, the British Foreign Policy Centre in a publication entitled *Re-ordering the World* carried an article by Robert Cooper on 'The Post-Modern State'. The Centre I understand is a think-tank of the British Labour Party and Robert Cooper something of an 'insider'. Among the things he said in that pamphlet, three stand out; and I shall quote them in the language in which they were presented:

First: *‘The challenge to the post-modern world is to get used to the idea of double standards. Among ourselves, we operate on the basis of laws and open cooperative security. But when dealing with more old fashioned kinds of states outside the post-modern continent of Europe, we need to revert to the rougher methods of an earlier era - force, pre-emptive attack, deception, whatever is necessary to deal with those who live in the 19<sup>th</sup> century world of every state for itself.*

Second: *‘... the opportunities, perhaps even the need for colonisation is as great as it ever was in the nineteenth century.’*

Third: *‘What is needed then is a new kind of imperialism, one acceptable to a world of human rights and cosmopolitan values. We can already discern its outline: an imperialism which, like all imperialism, aims to bring order and organisation but which rests today on the voluntary principle.’*

What is meant here by voluntary? It resounds of the concept of “consent without consent” enunciated in the early twentieth century by Franklin Henry Giddings, who, in attempting to reconcile the idea of democracy based on the principle of “consent of the governed” with imperialism, reasoned: “If in later years [the conquered people] see and admit that the disputed relation was for the higher interest, it may be reasonably held that authority has been imposed with the consent of the governed”.

I do not imply that this is the pervasive philosophy of Europe, of Britain or of the British Labour Party. The important point is that this regression to the thinking of an earlier era (though cast in 'post-modern' form) could today find utterance in intellectual/political circles in a country from which we had thought such thinking had passed forever.

But at least we know it is contested. A month after that Cooper article, the 'ordinary' people of this country spoke with a different voice in a great public outpouring of concern about some of the economic realities of our world.

The streets were filled with protestors marching against the prevailing form of globalisation. It was May Day, the traditional day marking the solidarity of labour - of the working class movement that drew Britain from the injustices of the Industrial Revolution into a modern, more equitable, society.

More specifically, they were marching against the ubiquitous hand of the market which they did not understand, save that it moved not responsive to the interests of the masses of ordinary folk, but to those of the few rich and strong.

In their eyes, these were transnational corporations reaping the harvest of a globalised economy - corporations that place profits before people - as did that old Industrial Revolution, but this time on a global scale.

The banner of anti-globalisation that they carried was a banner of many colours that marked a variety of protests; but together they were a *cri de couer* against a new world order which every day seems to be more and more a throw back to medieval times, with the movement from status to contract that had marked the rise of civilised society more and more in reverse.

Neo-liberal globalization devalues diversity, both ecological -- leading to the progressive destruction of our earth -- and cultural -- leading to the suppression of the values and customs of communities that make up the majority of the peoples of the earth – all in the name of the imperatives of the market. The highest values developed by mankind over centuries are subsumed to the exigencies of greed, egoism, consumerism and the pillage of the earth and its people.

But cultural diversity may prove more resilient than ecological diversity: trees cannot fight back; humans can, and do. Diversity is intrinsic to humanity, and the human species has resisted all attempts at the homogenization required by the market: more and more people assert and celebrate their cultural diversity, and call on the highest ideals of humanity to support their cause.

Still, underdeveloped countries, like my own, have been put on notice in a great variety of ways that the world is being reordered. Can we do other than resist a reordering for the benefit of the few, not the welfare of the many? Must we not try to ensure that it is reordered for the betterment of humankind? When we do so, is it fair to portray us as 'spoilers'?

Michael Manley called the book in which he chronicled Jamaica's encounters with the financial world during his first term as Prime Minister: *Struggle in the Periphery*. That continues to be an apt description of the Caribbean's situation now.

The struggle is formidable; and sustaining it is compelling. Belize's population is 250,000. All the Commonwealth countries of the Caribbean together are less than 6 million. By orthodox measurements of poverty, most of the people of the Caribbean are not counted as part of what has been aptly called the 'marginalised global underclass'; yet many within our countries in fact fit that description. In my own country, a recent study determined that one third of our people live in poverty; young people constitute more than 50% of our population, and a large percentage of them are adversely affected by unemployment, HIV/AIDS, teenage pregnancy and illiteracy.

But despite our vulnerabilities inherent in smallness there is cause for hope. We are concentrating our efforts on pursuing good governance, fiscal and monetary stability, and implementing pro-poor policies. There is a growing movement within our region, in the Caribbean and in Central America, that recognises the need for integration and of pooling our resources to engage the world economy with greater prospects for success in our just demands.

But that is only possible in a global environment more propitious to development, one in which the benefits of globalization reach all parts of the global neighbourhood.

That is not now the case. The post-Lome arrangements negotiated with Europe do not have Caribbean development at heart - whatever the European rhetoric of poverty alleviation. The FTAA 'project' is designed for the larger economies of the Hemisphere and on the basis of the most doctrinal application of globalization as a creed.

We have had to struggle for grudging acceptance of special attention to the needs of small economies in that process, but we still don't know whether our needs will be effectively addressed.

And in the WTO itself, our fortunes will turn on how much developed countries can succeed in giving the regime a human face and securing an evolution compatible with the needs of the great majority of its member states.

It has been said that "free market doctrine comes in two varieties. The first is the official doctrine imposed on the defenseless. The second is what we might call 'really existing free market doctrine': market discipline is good for you, but not for me". How else to explain the extreme protectionism practiced by the powerful and denied to the weak? And we have the word from the horse's mouth: Nobel Prize winner Joseph Stiglitz, former Chief Economist at the World Bank, wrote recently in The Guardian: "As someone who was intimately involved in economic policy making in the US, I have always been struck by the divergence between the policies that America pushes on developing countries and those practiced in the US itself. Nor is America alone: most successful developing and developed countries pursue 'heretical' policies".

And what effect do these policies have on countries like Belize? In 1995, when the WTO was born, we got US \$282.00 per ton of sugar; today we get \$146.00; then, we were paid \$9.15 for a box of bananas exported to the European Union; today it's \$6.50; citrus fetched us \$1.15 per pound solid, today we get 84 cents.

Even the growing new industries of diversification, on which we place such high hopes, like shrimp farming, are affected: in 1999 we were paid \$5.50 per pound; today that's fallen to \$3.09. Meanwhile, all the necessary inputs for producing these goods, like petroleum, machinery, fertilizers, have inexorably increased in price. And you know what they do to us when we try to enter new areas like financial services: they accuse us of unfair competition and threaten sanctions! How are we supposed to eradicate poverty like that?

Many countries in the Caribbean are worse off than we are, as are many others in the world. Some 3 billion people live on less than \$2.00 per day. The World Bank has determined that in Latin America and the Caribbean, the number of people living on that paltry sum increased by 14 million between 1987 and 1998. Meanwhile, in Europe each cow gets more than \$2.50 per day in state subsidies, while millions of people in the world die of hunger and preventable diseases. You have to wonder who's mad: cows or the system that produces these contradictions.

And in truth we are not asking for much: just rules of the game that are more balanced and fair: the phasing out and eventual elimination of trade distorting subsidies; maintenance of preferential market access for an appropriate period; a slowing in the rate of tariff reductions in underdeveloped countries; technical assistance for capacity building for negotiations and adjustment; special and differential treatment for small economies; postponement of negotiations on the so-called Singapore issues. Indeed, there is a need for an entirely special and separate regime for small and vulnerable States. All these reasonable requests were stated at Doha in 2001; they were repeated in Cancun this year.

As President Clinton has said: “the opposition to globalization in the world is rooted in people who feel left out, left behind and stepped on in other countries”. The present impasse created at Cancun, caused by the refusal to pursue the Doha Development Agenda designed to redress imbalances by infusing equity into the rules of world trade, can be resolved only if the developed world is willing to give up some of its trade distorting practices that contribute directly to poverty in underdeveloped countries.

Those who impose the Washington Consensus, the international financial institutions and the few countries that control them, are recognized by the international business media as the de facto world government; clearly the United Nations is in their eyes irrelevant.

As is democracy. What does democracy really mean today, by which I mean what is the meaning ascribed to that word by the powerful of the earth?

There was a time when democracy meant, quite simply, that the people had a right to decide who should govern them and how. And since it was assumed that people did not want to be poor and wretched or discriminated against, it was believed that government, as representative of the people, had certain duties: to ensure the development of people with equality and justice, to provide at least the minimum basic needs for all.

Now we are to believe that people's aspirations for justice, equality, prosperity, will be satisfied by the workings of the free market. Governments are told to get out of the way, and since in theory we are still to believe that governments represent the people, why, then, the people should get out of the way.

The supreme irony is that the same institutions that impose this order require us to have good governance, and to engage "civil society" in decision making. Good governance requires policies that include transparency and accountability. But accountability to whom and for what? Decision-making on what issues?

If governments no longer have the power to affect the economy on behalf of the people they represent, if the deciding force in the economy is "the market", a pseudonym for large corporations and the governments that protect them, then for what are they accountable to people?

At the Commonwealth Heads of Government meeting in Abuja later this week, there will be much talk about democracy. I should not need to make it clear in this hall that the countries of CARICOM have lived by democratic principles and the rule of law and the steady enlargement of human rights. Democratic values are deeply imbedded in our social and political culture.

I say this not to blow our own trumpet – no country is above improvement in any of these areas – but because there is a tendency on the part of the industrial world and in Europe and the United States in particular to imply that the adoption of democratic values is the solution to the problems of development. Were that so, the CARICOM countries of the Caribbean would have been havens of prosperity.

This glib assertion is often an alibi for not creating an international environment more propitious to real development and, of course, for minimising development assistance from rich countries to poor ones.

And let me say in relation to Central America of which we are also part, indeed today we hold the Presidency of the Central American Integration System, that over the last decade democracy is being restored in the region, which has achieved a measure of progress not seen since the 1960s. Peace and democratic processes, however, remain fragile. The fundamental socio-economic problems that have been the source of conflict in the past are still prevalent today: extreme poverty, inequitable distribution of land, power, and income.

The help that we need in the Caribbean is not for adopting democracy and the rule of law and securing respect for human rights; but in preserving them from erosion by the instabilities that derive from under-development and, in particular, from a deterioration in the global environment where these same values at the level of the international community are being consistently eroded at an ever accelerating pace.

The Caribbean has been a particular victim in many of its principal areas of development: in bananas, rice, rum, sugar, in financial services most recently. Far from the rich world acting to enhance its economic support that is so essential to the strengthening of our democratic traditions, it seems intent on diminishing that support and indifferent to the consequences.

The persistence of under-development, which is of course the denial of social and economic rights, is the major challenge that our countries face. It is not too much to assert that for us the future of our democracies lies in the strengthening of our economies – in a more favourable trading environment for our products; in more effective and rapid debt relief; in the protection of legitimate areas of economic progress like our financial services industry; in putting in place proper disaster management structures to deal with hurricanes and the dire consequences of climate change: coastal erosion, forest destruction, coral reef bleaching.

Our future lies, in short, in escaping from the trap of poverty. That some are poorer does not make us less poor than we are; that some are less developed than we are does not alter our state of under-development. These are the realities we face in Belize and throughout the region.

More generally, there is increasing polarization of communities within and between countries. A large majority of humanity is not benefiting from globalisation and there is a growing gap between the haves and have not. Given the prevailing system, the question that must be addressed is what do we do about those persons and communities that are being marginalized. The bottom line question is do they have a right to live a life of dignity?

Over fifty years ago the peoples of this world undertook to pursue a set of values and standards that would underpin international relations in the Charter of the United Nations and in the Universal Declaration of Human Rights. The indivisibility of human rights – social and economic and cultural as well civil and political – is well recognized by nations, but we have yet to move beyond giving social and economic rights only lip service.

And now these problems are being compounded by the virtual absence of even the pretence of democracy in the international community and by the massive deviations from the rule of law worldwide.

Lord Steyn's recent Mann Lecture at Lincoln's Inn, where he classified the treatment of the detainees at Guantanamo Bay as "a monstrous failure of justice" and "utter lawlessness", is a timely and authoritative intimation of how steep is the decline from norms of law and justice.

Belize and other countries of the Caribbean were in the forefront of condemnation of the acts of international terrorism that marked September 11 2001; but we have been alarmed by the degree to which a response to those acts has taken the international community into a dangerous abyss.

A devastating war against Iraq, its invasion and occupation, contrary to the highest principles of international law and the overwhelming opinion of the people of the world, augurs badly for the world and especially for small States that must rely on the international system based on equitable norms so laboriously constructed after the last World War. Now multilateralism is openly repudiated and international legality and the sanctity of treaties is put in jeopardy.

More than defending frontiers or ideologies, what is required now is the defence of humanity. In 1989, with the fall of the Berlin Wall, we all harboured the hope that humanity would enter a new era of tolerance and understanding; there was talk of a peace dividend that would usher in a new time of prosperity and development of peoples.

Today, a decade later, we are faced with new and more ominous and formidable walls: the wall at the frontier between the United States and Mexico to keep out even those citizens of a supposed free trade area; the wall being constructed by Israel to further seize Palestinian lands and deny its people the most minimal chances of sustainability; the legal and racial walls in European countries that discriminate against dark-skinned immigrants of poor countries; the economic walls that deny fair access to the products of underdeveloped countries in the “free markets” proclaimed by neo-liberal orthodoxies; the walls of intolerance and bigotry that seek to define what is and what is not “civilization”, and that make the so-called uncivilized fair game for destruction or neglect.

Belize knows well how serious could be the implications of a world which loses respect for international law and international agreements. For much of our recent history, we have suffered from such a falling away from civilised norms, in relation to our very existence as a nation in the face of Guatemala’s claim to our territory, in defiance of a 19<sup>th</sup> century border treaty.

In September 2002, the Facilitation Process under the auspices of the Organization of American States, to which Guatemala and Belize had agreed to submit the matter, presented Proposals aimed at bringing the dispute to a definitive and just resolution. The Parties were to submit the Proposals to referenda within 75 days in both countries; if they were accepted, the Parties undertook to prepare Treaties of Settlement based on the Proposals and so bring the dispute to an end.

The Process, and the Proposals emanating from it, was widely praised by the international community as being positive for the whole region, involving, as they did, the participation Honduras.

Unfortunately, Guatemala failed to prepare for and hold the referendum, but the Parties signed an Agreement on 7 February 2003, establishing a Transition Process and Confidence Building Measures until such time as they had completed their respective constitutional processes enabling them to hold the agreed referenda.

The entire hemisphere and the friends of the process were shocked when in August of this year the outgoing Guatemalan government unilaterally declared that the Proposals were unacceptable and that they would not put even them to popular consultation.

The real pity is that this blatant disregard for agreements freely and solemnly entered into is symptomatic of the disturbing elements of the emerging new world model. Belize looks to the international community and especially to the Group of Friends established by the Agreement to retain the integrity of the Process and see it to a worthy completion.

And so we are forced to live in a world of broken treaties, broken promises, broken communities, broken families: everything seems broken.

But our spirits must not be broken. And here I speak not only of the poor and downtrodden, but of all peoples of our one world.

James Wolfensohn, the President of the World Bank, said at its annual conference in September: “It is time to take a hard cold look at the future. Our planet is not balanced. Too few control too much, and too many have too little to hope for. Too much turmoil, too many wars, too much suffering... We must rebalance the world to give everyone a chance to life that is secure... Equal rights for women. Rights for the disabled and disadvantaged. The right to a clean environment. The right to learn. The right to development. These are not exotic objectives. All of us want the same, rich and poor alike. There is no better time than now to join in a common effort to make a better world.”

You may ask, how do we get there? We in Belize subscribe to the view that there are vital roles for the State, the market, civil society and the international community working in partnership to promote democracy and development. Beyond that, let me throw out a few other ideas:

If we believe in the rule of law at the national level, as we all do, we cannot run away from it at the international level. The primacy of the United Nations must be restored, even as it is democratised. The struggles that were fought across the globe against colonialism and for self-determination could not have been in vain. Our people did not fight for independence to determine the paths of their own development only to be now told that their fate lies in the whims of some invisible hand.

Representation must be strengthened and democracy instituted in international institutions where the rules are made and decisions taken that determine the fortunes –and misfortunes- of people: in the World Bank, the IMF, the WTO.

In government as well as in business and civil society, at the local and international levels, we must continue to strive for the highest standards of good governance and social justice.

We must remember that the world is constantly changing and there is no one panacea to the ills of the world. Economic orthodoxies come and go. At the end of the day, we must concentrate on finding practical ways of most efficiently allocating our scarce resources, including environmental resources, always with a sense of justice and fair play.

We must empower people to have a real say in decisions affecting their lives. Education and capacity building is key to achieving this goal, but this is possible only if advances in science and technology –in agriculture, medicine, education, informatics, security - were transferred more freely across the globe. Today there is an autocratic tendency backed up by the force of law to command and control ideas and their uses. This practice stifles global progress and benefits only the few who monopolise the uses of science and technology. Information and knowledge is a patrimony we have all inherited and to which we all contribute in some way or the other. It belongs to us all and should be allowed to benefit us all.

Finally, there is a need to instil in people, especially in our youth, but also critically in the corporate sector, a stronger sense of community and responsibility to our fellow men and women and children. People must be put before profits, justice before greed.

I wish to thank the distinguished Director of the Royal Institute of International Affairs, Dr. Victor Bulmer-Thomas, for opening the doors of Chatham House to me, and to thank you, my distinguished audience, for opening your minds and hearts to my message.