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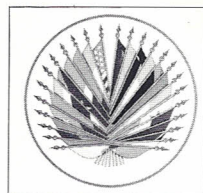
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THE POLITICS OF COOP ERATION IN THE AMERICAS

By Alejandro Orfila

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It is obvious that at present we find both positive and negative features in the relationship which exists between the nations of the Americas. A clear reflection of these dual features of the regional system is evident when one considers the principal issues at present on the regional agenda: progress in peace-keeping; advances in human rights; and hemispheric development prospects.

The OAS [Organization of American States] member countries have established a *distinctive regional tradition of resolving potentially severe disputes between nations in a peaceful manner.*

There is no reason to compare the Americas with other regions. In relations between sovereign states, we have forged a regional system under which OAS members work to handle divisive issues in a manner which consistently stops short of confrontation.

The strength of this tradition bears evidence in the signing of the new treaties for the Panama Canal between the United States and Panama in September 1977.

A further confirmation of our regional willingness to act on this common conviction has been the recent action by President Jimmy Carter restoring the benefits of the 1974 U.S. Trade Act to Venezuela and Ecuador. Even though both nations belong to OPEC, [Organization of Petroleum Exporting Countries] they did not join the oil embargo in 1973. However, as the provision of the U.S. law applied to all OPEC nations, these two OAS members were automatically discriminated against in the U.S. market. With the President's initiative, a serious wrong has now been redressed through the forces of reason rather than through recourse to hostility.

The progress the OAS members make together opens other doors for their common action. But other long-standing geopolitical issues need to be resolved. Despite impressive advances together in this hemisphere, it is evident that a regional millenium is not yet in hand. OAS members, in fact, have a long way to go in their efforts to perfect the regional system of peace.

In the sector of human rights, our region four years ago initiated concerted measures to ratify and place into effect the American Convention on Human Rights which, after its adoption in 1969, had remained mostly inert and inoperative. With this convention now fully ratified, the pioneering work of the objective and independent Inter-American Commission on Human Rights should, if it succeeds as expected, enable the Western Hemisphere to become a beacon for humanity in preserving and enlarging the scope of the right to life, liberty and social justice.

Beyond the critical regional issues of peace-keeping and human rights, development remains the paramount matter of concern to OAS countries and peoples. Within the Western Hemisphere, economic and social progress since 1945 has continued at a sustained and strong rate.

At present, Latin America and the Caribbean rank in general economic terms where the Europe of the Six was in 1957, prior to the enormous advances which occurred as a consequence to the Treaty of Rome. This is an impressive transformation of the region's traditional economic structure.

As we consider this ongoing development success, however, we must underscore the vast unfinished task at hand. Large areas, even in some economically advanced countries in the Americas, still suffer from protracted poverty and serious social injustices. Unemployment and under-employment are rampant in various countries and sub-regions. These circumstances lead to a deepening of the cycle of poverty for millions of persons.

There are also other negative features in the overall development outlook for the region. Income distribution remains critically unequal, thereby slowing down the onset of a consumer revolution needed to accelerate the region's growth. Export income is essential to further rapid growth but the spreading tides of world protectionism undercut Latin America's efforts to gain greater openings in world markets.

The lack of educational opportunities constrain the rate and pace of the continu-

ing economic transformation. And enormous debt service requirements on foreign private loans, especially required to meet high energy costs, adversely affect the process of economic expansion.

Where Latin America is at present, and where it should go in the future in accelerating its development, is a fundamental question immediately ahead. The OAS members have not yet agreed on what the new directions should be. But they have concurred that the existing regional stalemate on development is unacceptable. On the basis of this premise, they are moving towards holding a Special General Assembly on Cooperation for Development in 1981. Its purpose will be to debate, and, if at all possible, to agree upon the principal elements of a new multilateral regional strategy for development cooperation.

It is already clear that this strategy will not result in a revival or a resurgence of previous modes or forms of cooperation. Twenty years ago, the central development issues facing the Americas revolved around the need to forge a basic economic and social framework—in health, education, housing, welfare, financing and transportation—within which the pace of development could be stepped up. It is evident that to unexpected degrees our hemisphere rallied successfully to meet this challenge.

Today we confront a totally different dilemma. Our principal task is no longer to create a basic framework for development as this is generally now in existence. *What OAS members face most urgently at present, rather, is the need to reduce the resource constraints and bottlenecks which severely hold back the region's development potential:* in energy, in financing, in trade, in food production, in conservation, and in promoting more effective development of their enormous and talented human resources.

Provided specific obstacles to development are overcome by a decisive common action, prospects for accelerating the region's development pace are promising.

The area's energy resources, for example, are estimated at double those of the

United States and four times those of Europe. Currently, the region is realizing less than 30% of its potential in food production, marketing and distribution.

By the year 2000, it is generally accepted, much of the hemisphere's total area could, with effective planning, become fully industrialized, provided its energy and food potential were efficiently tapped, its trade considerably expanded—especially in manufactured goods—and other resource constraints are reduced.

In the face of its new development outlook, it should be stressed that when Latin America speaks about the need for a new strategy on regional cooperation for development, it is not simply looking for another Alliance for Progress. This had its day, and despite all its negative features, it made an impressive and lasting contribution to hemispheric well-being. *Nor are OAS members merely seeking additional international financial and technical assistance.* Middle income societies—and a large number are in Latin America—have a proven capacity to attract the external funding they need from international money markets. Their economies are strong and expanding.

Yet there are severe constraints on the resources of OAS countries which impede them from increasing their rate of growth. These barriers must be removed or lowered so that the area can become what it should be: a central foundation for revitalizing sustained expansion of the world economy. This will require congruent efforts on at least six fronts, including:

(1) *Cooperation to improve the region's energy potential must be increased.* As a whole, the area possesses enormous energy resources, especially in petroleum. The outlook is less promising for several OAS members forced to import most of their energy supplies in the form of oil. Energy prospects are also currently limited with regard to use of nuclear energy, except for several larger countries, chiefly as a consequence of a lack of trained human resources.

(2) *Concerted efforts must be directed to help the region become a major breadbas-*

ket for the world. This will require multiple approaches: efforts to redistribute income so as to give the poorer sectors of the rural populations improved economic opportunities; further incorporation of marginal farming areas into the production system; use of more appropriate technology for better managing tropical ecosystems; and, identifying and transferring successful settlement experiences.

In addition to broadening its food production systems, the area must also improve measures for storing, distributing, and marketing so that the food produced actually results in improved nutritional levels throughout the hemisphere.

(3) *The barriers which impede greater financial flows from abroad must be lowered.* Latin America finances more than 90% of its development from within, and 90% of its external receipts come from exports. Its strong patterns of economic growth have enabled it to successfully ride out the large-scale transformation in the world economy which followed the sharp upturn in energy prices after 1973.

However, the continuing rise in world energy prices still poses a potential threat to future development in the region.

Another point to note is that it is still uncertain whether even the strongest national economies would not be adversely affected if they were unable to maintain their growth momentum in advance of their debt service requirements to foreign private lenders. A number of financially sound countries in the region also encounter difficulties because of their inexperience in international financial markets, the small size of their economies or other circumstances which inhibit their efforts to obtain credit from foreign private lenders.

As concessional international assistance is generally not going to Latin America, the area must therefore find other paths to secure the foreign financial flows it needs. This should include measures for promoting a better mix between public and private international financial flows.

(4) *To benefit their own economies and Latin America, a resurgence of innovation is needed in the industrial societies.* This

would enable them to move into advanced technology, thereby enabling the middle income nations of Latin America to provide manufacturing goods for the U.S. markets, while, in turn, absorbing greater amounts of sophisticated technology from the United States.

(5) *Natural resources use in the Americas must be related to long-term development objectives.* Efficient use of the area's resource base is undermined when short-range economic reasons dictate exploitation without long-term planning.

The region must also recognize that by integrating efforts to protect the environment and to strengthen conservation into its total development process, Latin America can assure that any adverse costs associated with inefficient use of natural resources can be minimized.

(6) *The human resources potential of the area must be better realized.* Not only will this require greater education and training opportunities for scientists, engineers and technicians, but it will demand broader participation in development strategies and programs by people from all areas of society and all walks of life.

Indeed, not everyone will agree with this agenda for the Americas in the 1980s and beyond. Other observers have different ideas and different proposals. And I do not want to leave the impression that the agenda I am suggesting is embedded in concrete.

To the contrary, the inter-American system and the OAS thrive and grow strong as we put forth and debate a variety of proposals and policies.

The horizons of the American region are continually expanding. Within the OAS, we now have the benefit and insight of the increasing number of Caribbean nations which are joining our regional institutions. They provide the inter-American system with new perspectives both on future directions for the region itself, and also for its evolving relationships with the world order.

It is the innate capacity of the OAS and the regional system to revitalize itself from within which has enabled it to respond to changing times and conditions during the

90 years of its existence. Flexibility is built into its charter so that at any given point in time the Organization of American States can become precisely what its member states want it to be. It is this basic flexibility of purpose and operational adaptability which should assist the OAS as it seeks to respond to the new agenda before the hemisphere and remain the regional apex for helping to assure peace, friendship and prosperity. □