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TRANSCRIPT OF INTERVIEW OF

RUBENS RICUPERO

BY

YVES BERTHELOT

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YVES BERTHELOT: This is Yves Berthelot, interviewing Rubens Ricupero, who is the secretary-general of UNCTAD (UN Conference on Trade and Development). First of all, I would like to thank you for accepting this interview. I understand that if we have not enough time this afternoon, we can come back another day. So I thank you very much for your availability. I have just said the interview is organized in four parts. The first one is about the formation years, then the first professional years before the UN, then the UN, then the future. I think you speak freely about your city, Sao Paulo, your family, your professors, your choices when you came to make choices about becoming not a lawyer but at least studying law.

RUBENS RICUPERO: Thank you, Yves, for having invited me. I have been now in UNCTAD for more than seven years as secretary-general. Very soon, in September, I will complete my second term. That is eight years. But this period in the United Nations was something that came very late in my professional life, so I think it would be useful to tell you something about my background. I am now sixty-six years old. I was born in Sao Paulo, Brazil, on March 1st, 1937. My parents were of Italian origin. They were the first generation of children of Italian immigrants in Brazil. Many people in my hometown, Sao Paulo, were people of Italian ancestry. They are very highly represented there. All my studies—elementary school, secondary, and at university, were in Sao Paulo. I completed my primary and secondary education as a student of a religious school, of a French congregation, the Marist brothers. Then I completed also my three years of pre-university studies in school.

After that, I started studying law, but I never felt much of a vocation for law. So at the same time, I tried to study economics and literature—Roman languages and literature. But I interrupted these two courses. I never completed them. The most important influence in my intellectual formation, I would say, came rather through reading than through formal education.

This is very frequent in my country, I would say. I would select two major influences in shaping up what I am today. One is the Catholic faith and my religious upbringing, and also the fact that since my early youth, when I was only seventeen to eighteen years old, I have been a militant of some kind of a Catholic movement. I was, at the beginning, a member of some traditional religious associations, like the Congregation of Our Lady, a devotion to Mary. Then I was also a member of the Conference of Saint Vincent, founded by Ozanam in France.

YB: Saint Vincent de Paul.

RR: Saint Vincent de Paul. But I also worked in the first organized Catholic activity of social assistance in a favela in Sao Paulo, in 1955. It was inspired by Dom Hélder Câmara, who was then the auxiliary bishop of Rio de Janeiro, where he had started this work. So the combination of the Catholic Action and the intellectual influence of Catholic authors were very important in giving me my basic values. At the time, we in Brazil were very much under the strong influence of the French Catholic intellectual movement. It was in the years immediately after the Second World War, when there were mainly three influences disputing the minds of young people. One was Marxism-Leninism and communism in general. The second one was existentialism, philosophical existentialism. The third one was what could be called center-left liberal—in the American sense—Catholicism. The major influence was Jacques Maritain, in philosophy, through the intermediary of some Brazilian thinkers, like Alceu Amoroso Lima—also known by his literary pseudonym of Tristaõ de Athayde—who was the greatest Catholic leader in Brazil at the time.

Then there was the literary influence of great writers, like Charles Peguy, Paul Claudel, Georges Bernanos, and I would say much less François Mauriac. Bernanos, in my personal case, had a very strong influence that has lasted to this day. I am a friend of one of his daughters who

lives in Brazil. I write frequently about Bernanos, who lived for seven years in Brazil in exile. So most of what I am, what I believe, what I write were shaped by those influences. And, of course, the Dominican order, also of the French variety—because you know there is the Dominican order that follows the Spanish tradition of Inquisition. But we were much closer to the French variety, that goes up to [Henri Dominique] Lacordaire, and to all the theologians, like Père Congar, and the other great Dominican theologians of the twentieth century. I also had a strong influence from the thought of Teilhard de Chardin, the great Jesuit anthropologist. In my case, it was very strong. To this day, I am reading and am an admirer of Teilhard.

The combination of those influences shaped what I am today. I also had the great influence of Hélder Câmara. When I was a young man, only eighteen years old, I was a member of a small delegation of university students who traveled to Rio to consult Hélder Câmara about the work we intended to start in the *favelas* in Sao Paulo. He left a very, very lasting impression on all of us. I continued to be in contact with him until his death, and in my opinion he was the man who best represented the spirit of the post-Concilium church in Brazil and in Latin America, its renovation, its opening to the world, which goes very much in hand with the French Catholic tradition. [Antoine-Frédéric] Ozanam and Lacordaire were both intellectuals who tried to reconcile the Catholic Church with the French Revolution. This is, to this day, the strongest influence on my formation.

A less powerful influence on me, but also significant, was the influence of one of my uncles on my mother's side who was a communist. He had been the secretary-general of the Communist Party in the city of Sao Paulo in the years of the 1930s, when, as you know, Stalinism was the norm. He was very much a Stalinist in his thought, but not in his heart. He was a very generous man. And on my mother's side, my family had a communist tradition.

They were communists and trade union leaders. Not only my uncle, but one of my cousins was also the president of the union of all trade unions in Brazil before the military took over in 1964. The influence from that side was not so much intellectual, because I have never been attracted by communism. Even in the times when a good proportion of the Catholic youth movement was under this influence, I must say that I never felt much sympathy with the ideology. For me, the question of the freedom to spread the gospel was more important than social organization.

But what impressed me about the examples, particularly of my uncle and my cousin, was their capacity to devote their own lives to a noble cause. That example was almost similar to the Christians of the first times of the Church—this complete dedication to an ideal, above all, the ideal of social change in a country very strongly marked by an abnormal degree of inequality in income and wealth distribution. Those were the two basic influences on me.

My basic intellectual formation was mainly acquired through reading. I undertook a systematic program of study in social sciences through books, not courses, after I was already a young diplomat. When I decided that law was not my vocation, I decided to become a diplomat. In Brazil, this is a very formal kind of preparation. You have to pass a difficult examination and to follow a course. In my time, it was a two-year course. I passed the examination in 1958, and I completed the course in 1959 and 1960. I became a young diplomat in 1961, when Brazil was already becoming a very polarized society. Between 1961 and 1964, when the military took over, Brazil underwent a very troubling period—an acceleration of inflation, accompanied by enormous radicalization and polarization in social terms.

YB: May I interrupt you? Here you are moving to the beginning of your professional life. Perhaps before that—you have mentioned books and authors who have had a great influence on you. Interestingly, you mentioned authors with different tendencies within the

Catholic Church. So you were making your own synthesis of all these tendencies and approaches. The council was, I guess, something important in this type of influence. The question I wanted to ask is, you have mentioned persons, you have mentioned books, thoughts. You have not mentioned events. There were no events happening in the world that attracted you to the diplomatic career or marked you? I can think of Bandung (Asian-African Conference) or the advent of the Cold War, the Cuban Revolution.

RR: Of course, there were. To be frank, I would like to go even a little more back into the past, when I was very, very young. I have very clear memories of the last years of the Second World War, although I was only six or seven years old. At the time, I was already able to read. I clearly remember that I followed all the advance of the Red Army into Germany. I followed all the articles about the Nuremberg trials. I remember the names of the generals of the last phase of the war. One of my oldest memories is the liberation of Paris. At the time, Brazil was very close to France, as in the past it had always been. All the students, the pupils of the public schools, had to participate in a sort of contest making a drawing of the liberation of Paris. I remember our teacher explaining to us what that meant. That was in 1944. So I remember those events. I believe that period—my strong interest for international affairs dates back to that time.

For me, the most important event in terms of impact was the Second World War, which was very early in my life. I would say that the second event that I remember very clearly was, after the war, the return of democracy to Brazil. Brazil sent an army division to Europe. When they came back, it was felt that there was an incoherence in fighting fascism in Europe and keeping a dictatorship in Brazil. So Getúlio Vargas was overturned. Democracy returned to the country in 1949. In the neighborhood where I lived, where I grew up, which was an immigrant

neighborhood in Sao Paulo, there was a very strong section of the Communist Party. The Communist Party was very active. I remember even in the elementary school the students were mobilized for mass demonstrations. I, myself, participated in this period in several demonstrations of the Communist Party in Brazil in the late 1940s.

The most dramatic historic event that impressed me, some years later, in 1954, was when Vargas, who had returned to power through elections, committed suicide. It was very dramatic, preceded by mass demonstrations in the street and also followed also by mass demonstrations.

I remember very well the Suez Crisis and the Hungarian insurrection. For me, if I had any sympathy for communism—which was not the case—it would have disappeared with the crushing of the Hungarian insurrection, which I followed closely. My own home city of Sao Paulo received many Hungarian refugees, some of whom went on to have much influence in journalism, in teaching, et cetera. Then, later, I also remember the 1956 Arab-Israeli War.

Then, perhaps, the most important event that had an impact on everyone in Latin America was the Cuban Revolution. The Cuban Revolution was first welcomed as a sort of a new era in the continent. But soon, it became evident that it was going in the direction of a new kind of undemocratic government. I must say, for me, even at that stage, I never had any doubt that democracy should be a more important value. To give you an example, in those years of the early 1960s, when Brazil became radicalized, the Brazilian Catholic Action suffered a split from which it has never recovered. The Catholic Action in Brazil, which was relatively influential, particularly in the universities and secondary schools, and a little less in the workers' movement, was deeply divided. In the universities, the *Juventude Universitária Católica*—*Jeunesse Universitaire Catholique* in French—had enormous influence in the elections of the Brazilian students' union, which was a very radical and leftist organization of university students. At the

time, they had an alliance with the Communist Youth Movement. They were aligned to the Communists in the elections in the student union. Soon it became clear that as Brazilian politics were growing increasingly radicalized, perhaps the majority of the Catholic students tended in that direction. They were strongly influenced by Marxist thought.

I, myself, took part in the first meetings aimed at organizing a movement that was later to become famous in the guerilla opposition to the military in Brazil. Many of their leaders were killed or arrested. It was called Popular Action—*Ação Popular* in Portuguese. It was well known as AP and basically formed with leaders from the Catholic movement. I participated in a few organizational meetings. From the very first meeting, I soon became in opposition to them. I was not in favor of a revolutionary theory that intended to establish a kind of Cuban system in my country. One of the reasons for that was because I thought that religious freedom would be sacrificed. I had a serious disagreement with several priests who were in that movement. It was interesting that after the military took over in 1964, I was almost purged from the Ministry of Foreign Affairs because they knew that I had been present at those meetings. But of course they didn't know that I was in the meetings but in the opposition. The superficial appearance was that I participated in the movement.

I participated very actively during the late 1950s and the early 1960s in the Christian-Democratic Party movement without becoming a formal member of the party. It was the left wing of that party that became radicalized. I was more in tune with the moderate center of the Christian-Democratic movement. For many years, I kept the illusion that a Christian-Democratic movement was possible. I no longer believe in that, but we had many links with the Chileans, the Venezuelans, and the others.

Then, the most important event that almost interrupted my career was the military coup in 1964. At that time, I was no longer in Brazil. I was in Vienna where I had been assigned to work in my first embassy. I was submitted to an investigation, as many people were in Brazil, but in my case there were no consequences. I was able to clarify that I was not in sympathy with those involved, although others were purged at the time.

So I continued with those ideas that I described, always working in the diplomatic career. In all assignments that I had—I spent these years in Vienna, then three years in Buenos Aires. I will give you the dates.

YB: I have here some indications, but it is interesting I have not Vienna.

RR: I was in Vienna from 1963 to 1966, in Buenos Aires from 1966 to 1969, in Ecuador from 1969 to early 1971. In each of those cities, I tried to participate in Catholic movements, or circles that would read the Bible, or to have some contact with the local churches. So I always kept in touch with the local life of the Church. Then I went back to Brazil in 1971, a very somber period of the military dictatorship. I was head of the Cultural Division, a little bit outside of the political area. In 1974, I became a councilor in Washington when the military regime began to open up—the *Abertura*,¹ as they called it in Brazil.

At the time, my boss at the embassy was a former minister of foreign relations, Ambassador João Augusto de Araujo Castro, who was perhaps the most influential thinker that Brazil has had in foreign relations. He had a great influence on my thought. He was basically a critic of what he called the freezing of the structures of power in 1945, with the Charter of the United Nations, the freezing of the kind of power relationship that existed by the end of the Second World War, and then the Nuclear Non-Proliferation Treaty that, in his opinion, was a renewal of the attempt at the freezing of power, in this case on the technological and military

level. To be frank, I was never convinced of the second position because I have always been against Brazil trying to develop nuclear weapons. In his case, he favored this development because he thought it was a condition for international power. He had much influence on me in terms of his analytical capacity. I was in Washington during a very interesting period. It was the period of Watergate. I arrived when Watergate was approaching its end. I arrived in 1974. I had the opportunity to follow the dramatic developments of Watergate, and I was there when [Richard] Nixon resigned.

At this time, I was already head of the political section of the embassy, and I could follow very closely this painful process of American disengagement from Vietnam. It was more or less at the same time that we had Watergate and then the fall of Saigon. After the fall of Nixon, there was a tendency of disengagement of the U.S. It was when Congress passed a resolution prohibiting any American political or military activity in Africa—for instance, in the problem of Angola. It was a different time from now. It was a time when people feared that [Leonid] Brezhnev had not only reached a strategic parity with the U.S., but even a strategic superiority. Now it sounds ridiculous, but at the time even people like Henry Kissinger were taking those things seriously.

And I was there when [Gerald] Ford became president and a little later when [Jimmy] Carter won the elections. I stayed on for a few months, until Jimmy Carter started his dual campaign for human rights and against nuclear proliferation. And in both counts, Brazil was a target, because Brazil had problems in human rights and Brazil had a nuclear agreement with Germany. It was a target of this campaign, so the relations became very tense.

YB: It had an agreement with Germany to produce nuclear weapons?

RR: No.

¹ *Abertura*: Opening, from the verb *abrir*, to open, in the sense of re-democratization.

YB: Nuclear energy?

RR: It was nuclear energy, but in the agreement there was a component which was the willingness of the Germans to test in Brazil a new process of enriching uranium. This might have led to weapons, and there was much suspicion that this was the motivation of the Brazilian military. And probably it was right. Those were difficult moments. I could follow very closely this tension with the country that had the strongest influence in Brazil. The military coup in 1964 was very much conducted in close cooperation with the Americans in the period of Lyndon Johnson. There was an enormous influence and cooperation.

Those were also very somber days. After Brazil became a military regime in 1964, many other Latin American countries followed the same route. In the 1960s, it was the Brazilian coup which really signaled the changing tide. I can tell you that this was not by chance. It was very much deliberate. For instance, when I was in the embassy in Buenos Aires, I was there immediately after General [Juan Carlos] Onganía staged his coup against President [Arturo] Illia in 1966. I can tell you that I was frequently instructed to give the Argentinean military many copies of the legislation setting up the institutions of the Brazilian regime that they asked for. They wanted to copy very closely what the Brazilian military had done two years before. So there is no doubt in my mind that the Brazilian military government was a model for the others.

Although the Argentineans, as they always do, took the model and radicalized it. For instance, in Brazil the military always allowed for some kind of congress to continue, and the political parties, although very diminished. In Argentina, they closed the congress and dissolved the political parties. But those were the days when the Brazilian military had much influence. In the coup against [Salvador] Allende, there are many, many suspicions of Brazilian involvement. I was completely unaware of this kind of thing, because except in the case of finding and

delivering copies of the laws when I was in Buenos Aires, I never worked with anything related to military or security matters, because I had been suspected previously. So I was always kept at a distance from all these kinds of things.

YB: So the ethical difficulty of servicing a dictatorial government and eventually helping another country to follow the same line, with your democratic and Catholic strong beliefs, it has never been a tension?

RR: No, there was a tension. On many times I thought of leaving the diplomatic career. On some occasions I ran many risks. For instance, even at the time when I was in Vienna or Buenos Aires, I still continued to keep my contacts with Brazilian exiles, which was a very dangerous activity. For instance, one of the persons whom I received in my home in Vienna was former congressman Rubem Paiva, a former Brazilian deputy who later was arrested and disappeared, and was killed by the military. So both in Vienna and Buenos Aires, I continued to keep my contacts with people whom I had known before. The same thing happened in Washington.

And when I was director of the Cultural Division, I intervened several times. I tried to free or to get out of the “black list” people who had been arrested or “marginalized,” who were intellectuals and who worked with us—in most cases, I succeeded—or to plead with the military to stop the violations of the human rights. I tried this several times, using the argument that we were trying to improve the image of the country abroad, and this was not compatible with the violations of human rights. The foreign minister at the time was a close friend of mine. He had been my boss in Vienna and before that. His name is Minister Gibson Barboza. I pled with him to try, and I think he did his best to try to interfere.

So I tried to do something. In 1968, when I was in Buenos Aires, I was vacationing in Brazil in December, when the regime took a sudden turn to the worse. It was the moment when there was a revolution inside the revolution. The right-wing military took over. On that occasion, I even took a public position against this revolution. I think I was not targeted because of Minister Gibson Barboza, who was a friend of mine. But I said very publicly, in his house and on many other occasions that it was wrong.

YB: There was a little bit more democracy involved than in Argentina and Chile.

RR: The repression in Brazil was much less than in Argentina. But let me tell you, this period in the military regime was a very, very somber period for all of us. When it was ending, when the regime was gradually moving towards democracy, I was called back to Brazil to become the head of the division for South America II, which dealt with the relations with the northern countries—Bolivia up to French Guyana.

But my main responsibility was to be the chief negotiator of the Amazon Pact that Brazil wanted to sign, and which was actually signed in 1978. I stayed in this post for several years, and when the director of the Department of the Americas left—this was at the time the most important political job in the ministry, a little bit like what the Americans call the secretary for Inter-American affairs—I became the director of American affairs in 1982.

YB: I will do what I did with the first part of your life. During this period, from 1966 to 1977, you described very quickly. But we never verbalized your concern with the UN. There were different elements. There was the New International Economic Order (NIEO), there was the creation of UNCTAD, there was the Non-Aligned Movement (NAM), and the G-77 (Group of 77), and of course OPEC (Organization of Petroleum Exporting Countries). You were in

bilateral relationships, but nevertheless what were the impacts? What was the influence of all these elements?

RR: I must say very honestly to you that it was for me not so much because I worked more with problems of a bilateral nature, with political and cultural matters, although I was very much aware of what was taking place. For instance, the first UNCTAD, in 1964, was a dramatic episode in the Ministry of Foreign Relations of Brazil, because the head of the Brazilian delegation resigned in protest against the military coup. The military coup took place exactly in the middle of the conference. It was on the 31st of March and the 1st of April. And the man who was heading the Brazilian delegation sent an official cable to the new minister, saying that he was astonished to see how this man who had a distinguished career would accept to serve a regime of “guerillas.” The minister asked him to change the classification of the cable from an official to a personal cable. He refused and had to leave the diplomatic career. So there was a tremendous impact in the Brazilian diplomatic career because he was one of the few people who resigned on principle.

I followed the advance of UNCTAD, not only because of this episode but also the discussions about the New International Economic Order and the work of ECLAC (Economic Commission of Latin America and the Caribbean). For instance, when I was in Brasilia—I forgot to mention to you, and this is an important omission, that between 1961 and 1963, I was one of the first public officials to move to Brasilia. I volunteered, at a time when most of the people were doing their best to remain in Rio. We had very few people there. At a certain moment, I was the only member of the Foreign Ministry in Brasilia. So in Brasilia I was very much in touch with Congress, with the press, politicians, much more than I would have been in Rio, because Rio was a much more organized and stratified capital. In Brasilia, the advantage

was that your rank did not matter. You could speak to anybody. You could go from one place to another.

So in those days, in Brasilia, I could follow how things were being shaped. And when I was in Brasilia, I became very impressed by Celso Furtado, who had an enormous influence on development thought at the time. I went to listen to his lectures. I remember to this day some of the things he said when I was a very young diplomat. I am still a good friend of Furtado to this day. So the thought of Furtado and the school of ECLAC, of Raúl Prebisch—

YB: Celso Furtado has written a beautiful book that I like very much. I read it in French, *La Fantasie Organisée*.

RR: In Portuguese we say *A Fantasia Organizada*.

YB: It is a beautiful book.

RR: He is a man of enormous sensitivity. So Furtado, Prebisch, Anibal Pinto—all the great economist writers of ECLAC of that day, together with other Brazilian thinkers. I also suffered the great influence of the three leading interpreters of Brazilian society—Gilberto Freyre, who, as you know, is a man who wrote about slavery in Brazil, the overwhelming influence of African culture; Caio Prado Junior, who was the leading Brazilian Marxist historian, who has an excellent work about the interpretation of the colonial past. My son wrote a thesis on him. And Sergio Buarque de Hollanda, who is the father of the famous composer, Chico Buarque de Hollanda. All those people had a great influence on me.

And as you were asking about developments in the UN, I followed those events, but I never dealt with them directly because I was basically dealing with the political matters and mainly with U.S. and Latin American affairs. I was very much a specialist on the relationship between Brazil and the U.S., and Brazil and Latin America. My first writings are about the

triangular relationship—the U.S., Brazil, and Latin America—which was my subject for many, many years. I would say that my whole career, until the day I was promoted to the highest rank in the ministry, was almost totally due to my work as a political diplomat dealing with matters of the hemisphere. I had never thought that one day I would deal with development.

This started to change in those years, in the mid-1980s. In 1984, the Brazilian military regime was nearing its end. There was a big campaign to demand direct elections for president. This was not to be, as the president was finally chosen by Congress. For the first time, the opposition had a chance to win. The man who was the candidate from the opposition, Tancredo Neves, who was an old Brazilian statesman, invited me to become his advisor for international affairs. It was a risky task because I was still working in the ministry of foreign relations. But I accepted to become his advisor on international affairs. He won in the elections.

So I accompanied him in 1985 on his travels to Europe, to the U.S., to Latin America. He was the first civilian president, but the day he was to be inaugurated he became ill. He had appointed me as deputy chief of the presidential staff. He stayed in the hospital for forty-five days and then he died. When he died, the vice president, José Sarney, became president. I didn't know him very well, but he wanted me to stay on. I became first the deputy chief of staff, and then I became the special advisor to the president on international affairs. It was then that I began to deal systematically with trade and economic matters, because those were the days when the Uruguay Round was about to be launched. Brazil was, with India, one of the countries that was resisting. So I had to deal with the subject. I had to deal with problems arising from the complaints of the U.S. against the Brazilian trade regime, the protection of the electronics sector.

I started acquiring some experience in problems of technology, patents for pharmaceutical drugs, all the subjects that later I would have to deal with here. I accompanied

the president on many travels—the U.S., Europe, everywhere. There was always a very important economic agenda. At the time, the most dramatic component of this agenda was the foreign debt. You will remember that in 1982, the foreign debt crisis had started in Latin America. First it was Mexico, but then it spread to the others, including Brazil. And when the civilian government started in Brazil, in 1985, Brazil was deep in this crisis. And this man, Sarney, decided to suspend payments in 1986 or 1987.

At the time, I was not the one who advised him to do so. On the contrary, I asked him to carefully weigh all the options. But after he suspended the foreign debt payment I worked very closely to try to conduct the negotiations between the ministry and the IMF (International Monetary Fund). So I had to deal very extensively, for many months, basically with financial problems. I must say that I acquired my limited experience—as people say, “on-the-job training.” At the time, of course, I had studied economics by myself, by reading books on development, et cetera. I also studied economics in the diplomatic academy. But most of my knowledge about financial matters and trade matters were a direct consequence of my job with the president.

Then, in 1987, after ten years in Brasilia—because I had arrived in Brasilia in 1977, so I had been there for ten years—I decided it was time to go abroad, because I had already been promoted. At the time, the best assignment available was Geneva, at the multilateral organizations. To be frank, I feared the challenge because I had no multilateral experience. But I wanted to have it in the same way I had asked to be posted in Washington, because I had never been to the U.S. and I thought it was impossible to know the twentieth century without knowing the U.S. first hand. I also believed it was impossible to have a full diplomatic experience without having any direct multilateral experience. So I decided to come here to see how I could learn.

YB: So before you arrived in Geneva, a few questions on the period you have just covered. About the debt, is it correct to say that Brazil was able to get a better deal than smaller indebted countries? Or do you think it is a case-by-case treatment?

RR: No, I think you are right. Brazil has a size as a nation that allows the country to do some things, some negotiations, that are out of reach for others. You see, Brazil is one of those countries where a collapse, like in Argentina, could become a systemic risk for the whole system, which is not the case with the small countries. Also, Brazil has some possibilities that the others don't have. To give you an example, when I was already minister of finance, and we concluded the negotiations with the private, commercial banks, we didn't have an agreement with the IMF. There is no other case of a country that was able to conclude successfully a Brady deal with the private banks without a formal agreement with the IMF—only Brazil. You know why? You know that in order to replace the old debt bonds with the Brady bonds, you had to give guarantees which are treasury bonds. All the other countries could only buy the treasury bonds once they had the IMF agreement, and then they would get the money from the IMF, the World Bank, the Inter-American Development Bank (IDB), and a special Japanese fund.

Without saying anything, Brazil started to buy the treasury bonds in the market without anyone knowing. We spent more than \$3 billion of our reserves. The Americans, at some time, became suspicious, but we were able to do it because we did it slowly. You know, it is not that easy to buy this quantity of bonds on the market. When the time arrived, we had the bonds to give to the banks. This never happened with any one of the others, not even with Mexico. So to answer your question, the size, dimension, matters.

YB: Another thing, during these years I remember Brazil was active in promoting South-South cooperation.

RR: Very much so.

YB: And particularly also your own volatile relationship with Portuguese-speaking African countries.

RR: You touch on an interesting subject. It is interesting that, in Brazil, even during the military years, the foreign policy of Brazil was more Third World than it became later. It is interesting because, except in a very brief period at the beginning of the military regime, between 1964 and 1966, when Brazil was closely aligned to the U.S.—for instance, during the invasion of the Dominican Republic, it was a Brazilian general who commanded the operation. But excepting this period, which was only two years in twenty, in all the rest, Brazil followed a more *terceiro mundista* approach. It was, to some extent, incoherent.

But you know, there were many right-wing dictatorships that had a foreign policy that was not very much pro-West. To give you an example, when Brazil was still a military regime, in the period of General [Ernesto] Geisel, when Brazil was opening up, in 1975, Brazil was the first country to recognize the Marxist-led government of Angola, to recognize the independence of Angola, the MPLA (Popular Movement for the Liberation of Angola). Brazil was the first. Against the wishes of the Americans, Brazil voted in favor of the resolution equating Zionism with racism. Brazil established relations with the Soviet Union. Then Brazil started an overture towards China. Cuba remained a taboo, because Cuba was seen as a source of guerillas, of infiltration. But in the other causes—freedom from colonialism, against apartheid, the New International Economic Order—Brazil was very much on the left, even during this period.

So it was interesting, because during the military regime, almost all the ministers of foreign relations were career diplomats. And the career diplomats tended to follow a line of independence towards the U.S. In Brazil, you never had what you had in Argentina or in Chile,

where they put the military in charge of the Ministry of Foreign Affairs. Brazil never followed this, let us say, rightist kind of foreign policy.

Well, as I said, I came here as ambassador in November of 1987. It was the first year of the Uruguay Round of negotiations. The Punta del Este Declaration, launching the round, had been the year before, in 1986. And 1987 was the first year, but it was a very low start when I arrived here.

YB: Excuse me, but I have maybe other things before you arrived here. It could be said before and after, because you had been, from 1979 to 1995, professor in international relations at Brasilia University and professor of the history of Brazilian diplomatic relations at the Rio Branco Institute. And also, you have been a founding member of the Fernand Braudel Institute.

RR: Yes, I was the first president.

YB: So you had a lot of academic activities in parallel to your—

RR: Yes, it's true. During the ten years I stayed in Brazil, between 1977 and 1987, I had a very active academic life. At some times, I was teaching three courses. It was very intensive. I remember that one of my courses, which was for a Master's degree, was a course where I had to teach from six to ten in the evening. I had a very intensive, very heavy charge. It was basically theory of international relations and correlated issues, like the theories of economic integration, social integration, the evolution of the international system, and the history of diplomatic relations of Brazil.

My formation in this area was basically self-taught. I used the most recent books. For instance, in my teaching in the theory of international relations, I used all the Anglo-American classics and Raymond Aron's book as textbooks. In the case of diplomatic history, I think I made more personal contributions because we didn't have a very complete bibliography in this

field. And as you noticed, I had also a strong influence from Braudel. Braudel was very much linked to my hometown of Sao Paulo, because he spent three years teaching at the recently founded University of Sao Paulo, in the 1930s. He was then a young professor.

You know, Sao Paulo was lucky enough to get some of the brightest French scholars when they were completely unknown. Claude Levi-Strauss was one of them. Claude Levi-Strauss and Fernand Braudel were the two who became more famous, but there were more than a dozen distinguished French, young *agrégés*. Some of them were teaching in Algeria and were persuaded, in the late-1930s, to come to Sao Paulo, where they had a standard of living much higher than they would have had in France. They were living in villas, had cars with chauffeurs, this kind of thing. Braudel has a famous phrase. He once said he became intelligent in Brazil. But in reality, I think what he meant was that in Brazil he had the material means to have a better life. And he left an enormous influence on the Brazilian school of historiography. He renovated the approach to economic history. Levi-Strauss has completely changed Brazilian anthropology. You know, his first studies were done in Brazil with Brazilian Indians, the Nhambiquaras. The *Tristes Nhambiquaras Tropiques* is a book on Brazil.

In my case, the influence came more from Braudel and Roger Bastide. Bastide was a great French sociologist who inaugurated the systematic study of African religion in Brazil, which is a strong interest that I have to this day. I will tell you about that later. But the two basic influences I suffered were from Braudel—not personally, I never met him—and from Bastide, the books. I was one of the founders of this institute who tried to continue the same empirical approach to the study of economic history as a whole, not only in the narrow sense, but the idea of the *economie-monde*, the integration of the whole system on a planetary level.

So in those years, I was already very much busy with the problems of development, although I had never dealt with them professionally in my career. It was more in academic life.

YB: You used a little earlier the words “economic integration.” Now you are using the word “integration” at the world level. Do you mean that at that time you used the word “integration” and today you would have used “globalization?”

RR: Yes, probably so. At the time, I think no one would use the word globalization. But you know, Braudel’s thought was in anticipation of much that is to be said about globalization. When you read his books on the *economie-monde*, you will see that most of the best things about globalization were already said by him. So there is no doubt in my mind that this was already present in my mind.

I forgot to mention to you that, although I had never dealt with economic matters in professional life, since my days as a university student I had always been concerned with economic development. Development was a passion in Brazil. In the 1950s, President [Juscelino] Kubitchek sold this idea to the public, that development was the goal that would unite the country—the building of Brasilia, for example, as a concrete symbol. He was the man who attracted the first automobile industries, of heavy mechanics, of shipyards to Brazil. And those were the years when I was a university student. We all were passionately discussing development issues, basically from an economic approach. In Brazil in those days, it was not so much the social aspect that attracted attention. It was more capital accumulation, industrialization, import substitution, the ideas of ECLAC, of Prebisch.

So this has always been very strong for me. All through the years, we were discussing the matter, although I had never dealt with that in my professional life before. It was only the kind of knowledge of someone who was personally interested in those questions. When I came

here, I became involved mostly in the GATT (General Agreement on Tariffs and Trade) negotiations. I was the ambassador to the UN, so I had to be in charge of everything here. In the first years, we still had another ambassador who dealt with human rights and disarmament. But then our mission was unified, and I had the responsibility for everything.

But for a combination of reasons, because I inherited a special role from my predecessor, Ambassador Paulo Nogueira Batista—you know, he was a very distinguished diplomat who played a central role both in UNCTAD and in GATT. So when I came, everybody expected me to do the same that he had been doing. So I had to involve myself very much in the GATT. And when the ambassador of India, Shukla, was transferred, Shukla asked me to take his job as the coordinator for the informal group of developing countries in the GATT. This made me much more involved in the GATT negotiations, and it was the step from which I became chairman of the GATT council.

In 1990, I was the chairman of the GATT council, and in 1991 I became the chairman of the contracting parties. Because of those activities, I gradually became more and more involved in the negotiations in trade. It was a new world that opened up to me—the problem of development and trade. At the time, I used very frequently the analyses of UNCTAD. Even in the negotiations in GATT, I would use, for instance, the analysis of the links between foreign debt and trade matters and financial matters, et cetera.

YB: What work, the TDR (*Trade and Development Report*)?

RR: The TDR, mostly. I was very much impressed by the good quality of those analyses. Although, as I said, I was more involved in the day-to-day negotiations, I must say that on two occasions, I played a relatively influential role, on two occasions when we had dramatic decisions. One was in Montreal, the middle term review of the Uruguay Round, in December

1988. The other one was Brussels, December 1990, when the Uruguay Round was supposed to conclude. On both occasions, Brazil and the small group of Latin American countries that were members of the Cairns Group—Argentina, Chile, Colombia, Uruguay, and Brazil—decided to deny consensus, because on both occasions, the patterns were quite similar. There had been no satisfactory progress in agriculture, whereas there had been significant advances in other areas—services, intellectual property.

So we thought this would aggravate the imbalance in the system. On both occasions, we thought the round could not be allowed to conclude with such imbalance. It was something unprecedented, in the sense that never before in the history of the GATT had a small group of developing countries been able to take that position. Of course, I was very active, together with my Argentinean colleague, Ambassador Tettamanti. I would say we two were the main players in this episode. He passed away a few years ago.

When I was here, the chairman of the contracting parties, in 1991, I was transferred to Washington, where I became the ambassador of Brazil.

YB: In the middle of the negotiation?

RR: I didn't want to be transferred, because I was very much involved with Geneva. But it was impossible to refuse, because the ambassador in Washington was not a career man. He was a banker who had been appointed the new minister of the economy and finance in Brazil. He was a friend of mine, and he persuaded the president I should replace him. To be ambassador in Washington for a Brazilian diplomat is the highest post. It is impossible to say no. I went there. I stayed there for two years.

YB: Before we arrive in Washington, you mentioned the influence of this small group of Latin American countries in the GATT negotiations. But more generally, you had to deal with the G-77. What was your experience?

RR: You know, in the GATT we never had a formal Group of 77. The old GATT, even more than the WTO nowadays, had a tradition of keeping its distance from the UN system. One of the ways of doing so was to try to say that the North-South divide had no place in the GATT. The GATT countries were supposed to act on the basis of their concrete trade interests. This was why the developing countries had this curious arrangement that was called the—this is the official name—the Informal Group of Developing Countries. The reason for that was because in the GATT there was much resistance to the acceptance of any groupings of countries.

The idea was to try to avoid the introduction in the GATT of the system of negotiations that we had in UNCTAD and in the UN system, this system of blocs or group negotiations. One of the ways of doing so was to say, “No, we don’t have any groups here. If you want to have a group, it has to be called an informal group.” It was really informal in the sense that, in the GATT, this group was able, from time to time to make a stand, to produce a document about a general aspect. But the group never negotiated as a bloc. In the negotiations, each country spoke for itself. So this was the difference.

YB: The Cairns group is a good example of a group which is—

RR: The coalitions that you have. I had in the past some experience of the G-77 here, in the UN organizations. At times, I would also participate here and in other places. I think for a short time I was even the chairman of the group at the UN. But you remember those were years where the Uruguay Round was concentrating much of the attention. You didn’t have so much activity in other places because people would concentrate attention there.

So when I went to Washington, I was still the chairman of the contracting parties. I came back to Geneva in December, to preside over the session of the contracting parties. In Washington, I must say that I had a very difficult period of two years, because it coincided with the decline of the Brazilian situation—the deterioration, both in terms of the aggravation of inflation and in terms of the impeachment process against President Fernando Collor de Mello, who was impeached by Congress when I was there. When he was impeached, the new president, Itamar Franco, invited me to become the new minister of the economy in Brazil. I was the first person to be invited, but I said no.

I decided to stay in Washington, where I stayed for several months. But after those months, in 1993, there was a massacre of Indians in Brazil—the Yanomami Indians, in the border with Venezuela. Franco was told by, I think, former president Sarney that I was an expert on Amazonian affairs. He decided to set up a Ministry for Amazonian Affairs, so he appointed me. I went back to Brazil. I became a minister for the environment and Amazonian affairs. But the real motive is that Franco wanted to make me in the future the minister of the economy, for some reason that I don't understand. His minister at the time was Fernando Henrique Cardoso, who was later to become the president. He knew that Cardoso would have to quit to become a candidate for the presidency, so he wanted me to replace him.

In Brazil, everybody is persuaded and I think it is true, because I heard this story from his chief of staff that I was called back to Brazil to be in wait until Cardoso would leave. When Cardoso left the government—what I am telling you was in September 1993—I became the minister of environment until the end of March of 1994. In 1994, Cardoso decided to run for president, and I was appointed minister of finance to replace him. He had started this program to fight inflation, which was running very high. To give you an example, when I became minister,

inflation was running at 55 percent a month—almost 2 percent a day. He had started the plan, but the decisive phase would be the introduction of the new currency, the real, came in my term. I had to prepare the country for the introduction of the new currency, which took place on July the 1st, 1994, when inflation came down abruptly.

This, as you know, had far-reaching implications in Brazil, because Cardoso ran in the elections against Lula (Luiz Inácio Lula da Silva). Lula was already a candidate—his second attempt to become president. Cardoso won. But in September, I resigned in the middle of an enormous public outcry because one day that marked the anniversary of the introduction of the new currency, I had given more than twenty interviews. A good part of my job was to persuade people that it was possible to fight inflation. In Brazil, people had a long memory of a period of stable prices. It was not easy. So it was almost a religion. Franco, even today, calls me the apostle of the real, because it is said that it required a religious fervor. I would speak on TV, et cetera.

I was waiting for giving the twenty-third interview. It was already late in the night. We were waiting for the signal. I was very tired, and I was talking to the interviewer, who was the cousin of my wife, in very familiar terms. Some of the expressions that I used were inappropriate and interpreted as if I wanted to hide from the public some statistics that were not in favor of the government. It was the opposite, you see. In reality, the first statistics of inflation had been very bad for this new currency in August. This interviewer asked me, informally because it was not yet the formal interview, in a conversation, if I didn't think that everything was lost because of these numbers. I told him, "No, because we already have the preliminary statistics of the following month that indicate that that was only the remnants of old inflation.

Now inflation is falling very steeply.” He became very excited. He said, “Let’s use it in the interview.”

I told him that I couldn’t do it, because in order to fight this excessive nervousness of the inflationary period, we had made a plea that we would no longer give the inflation rates for the week—only for months. We wanted gradually to move to longer periods because the people were already in Brazil beginning to use daily rates. We said, “We are not going to give weekly rates.” I said to him, “I can’t breach this.” I said, “I would have no scruples, because I think it’s best to inform and to publicize which is good, and avoid talking about what is bad for the government.” This phrase was distorted and politicized, so I resigned. I resigned immediately after this loss of credibility.

YB: You went home after that.

RR: Yes, I was in Brasilia for a few months. For me, this experience in the Ministry of Finance, including about the debt, was very useful. I forgot to mention to you it was during the time I was minister that we completed the negotiations with the private bank. They began in 1982-1983. They were only concluded when I was minister, in 1994 through the Brady initiative, by the Governor of the Central Bank Pedro Malan, later Brazil’s minister of finance.

YB: So maybe first you were appointed minister of the environment and Amazonian affairs. The environment—it was just after Rio?

RR: Yes.

YB: It was a new ministry, or there was already a ministry of environment before you?

RR: No. The United Nations Conference on the Environment and Development, the Rio Summit, in 1992, was a very important event in Brazil because it was the first time Brazil abandoned a defensive attitude on the environment. Brazil has many problems on the

environment, both in the Amazon and in the big industrial cities. There had been a tradition of defensiveness. This time, Brazil decided to host the conference as a way of raising public awareness for the issue. It had a tremendous impact. It helped give a boost to this environmental movement in Brazil.

During the Rio conference, I forgot to mention to you, I was chairman of the finance committee that drafted Chapter 33 of Agenda 21. It was the most difficult of all groups, because it was the problem of how to finance the environmental commitments. It was extremely difficult. It was the only group that had no text for negotiation coming from the preparatory process. The preparatory process had been conducted by Ambassador Tommy Koh, from Singapore in New York. And you remember, Maurice Strong, and our colleague, Nittin Desai, were in the secretariat. They had been able to produce a basic negotiating text full of brackets almost everywhere, except the financial chapter. The financial chapter was nothing. It was a void. We had to start from scratch. My two predecessors—one an ambassador from Canada, the other Andres Rosenthal from Mexico—

YB: Not Rosenthal from CEPAL? It was another Rosenthal.

RR: No, the Rosenthal who is the half brother of the former minister of foreign relations, Jorge Castañeda. Both had tried and not succeeded. The job came to me and it was an almost impossible task, but finally we succeeded. There were perhaps many shortcomings, but we were able to negotiate a chapter, the financial chapter.

YB: What was the main issue?

RR: Many issues. The president of the World Bank, Lewis Preston, wanted to create a sort of environmental fund. There was much opposition from the industrial countries, because they didn't want to use the profits of the Bank for that purpose. There were many problems with

the treatment of the least developed countries (LDCs) in terms of targets. There were many serious problems about the target of 0.7 percent of ODA (Overseas Development Assistance).

YB: So the main issue was mainly the traditional aid problem?

RR: And also how to link the commitments of developing countries with the guarantee that they would get additional funds.

YB: They were additional.

RR: It was very difficult. But finally, we were able to compromise. So I had this background on the environment. And in Washington, I must tell you, because of the difficulty of my position, the situation I described to you—Brazil was falling apart at the time—I decided to concentrate my energies on participating in all academic debates on Latin America and to have a very intensive presence on human rights and the environment. So, contrary the tradition in the Brazilian foreign service, I reach out to the NGOs (nongovernmental organizations)—I had an excellent relationship with those people.

YB: Were you known for your knowledge of Amazonian problems? You have not mentioned that so far.

RR: I was the main negotiator of the Amazonian Pact. I directed the Division of South America II. It is the division that deals with the Amazon and the Brazilian borders with all the Amazonian nations, starting with Bolivia and going up to French Guyana. So it is the jungle. It was from that period that I was dealing with Amazonian problems.

YB: It is an area where you have a lot of support from NGOs, but a lot of opposition from enterprises.

RR: Very much opposition on problems related to economic interests. But you know, I always took a progressive line on Indian affairs and on the problem of the preservation of the

rainforest. I never hid, even when I was in government, that I was totally in favor of protecting Indian land, of the preservation of Indian rights, and the basic conservation of the Amazonian forest. I have always fought against the prevailing line in Brazil.

YB: And you had some success?

RR: Well, I am not sure that our goals have already become the reality in Brazil—we are not out of the woods yet, although the new government is much better on this issue. But you know, there are conflicts of economic interest. It is a serious problem. To tell you an anecdote that will be interesting for people who will read this, when I was minister for Amazonian affairs, once I was invited by the Amazonian bloc in Congress. They have a bloc, a caucus like you have in the U.S.—the senators and deputies of Amazonian states. They invited me to come to Congress to have a discussion. Most of those people are big landowners, very influential people in the area, whose titles are at least dubious, because this is a sort of far-west region where sometimes titles to the land have to be very closely examined. And they were pressuring me because I was defending—you know, in the Brazilian constitution, we have a guarantee of land for Indians, for about 550 different reservations, although at the time we were still far from having delimited on the ground those tracts of land. It is very huge. To give you an idea, it is more than one million square kilometers.

There is a popular phrase in Brazil with the conservatives that says “there is too much land for too few Indians.” The Indians in Brazil are not very numerous. They are about 350,000. But basically, the tribes are not very numerous because of the kind of material culture they have. They can’t have very large populations. So those people exploit the idea that we were giving too much land, although those are traditional Indian lands. And the Indians need land because of their way of living. They have to rely not only on agriculture, but also on hunting and fishing.

They need to move from place to place. They don't stay in the same place. So the congressmen were pressuring me with this phrase: "Don't you think, Mr. Minister, that the government is trying to give too much land to too few Indians?" I said, "Well, if you want to recognize as the basic criteria for land ownership a quantitative criteria—per capita—I think we would be willing to examine it. But why should we limit that to the Indians? For instance, here, how many hectares do you have personally in your own pocket? Don't you think it is too much land? Do you want the government to adopt a quantitative limitation, per capita?" He immediately changed the subject, because if you would apply that you would completely destroy the basis of their wealth. They had huge tracts of land.

So I had always fought—writing articles and defending positions on Indian rights and the environment along these lines. I see, with great satisfaction that now, with Lula, there is this greater awareness of the problems. The minister of the environment is a lady, Minister Marina Silva, who was a rubber-tapper herself. She only learned how to read when she was fifteen years old. She was the right hand of Chico Mendes. So now it is a different time in Brazil. But in those days, it was not so easy because we were in the minority.

YB: But it is curious. Henrique Cardoso, I knew him when he was in Paris. He had been teaching with Celso Furtado and both of them came several times at home. When he became president, he did not—

RR: Cardoso is an extremely competent and intelligent man. But he built his political basis of support through an alliance with the conservative parties, which are the parties of those landowners. So I imagine that he must have had this limitation. I have no doubts about his own personal feelings. I think he is sincere. But he decided, rightly or wrongly, that he could not rule without the support in parliament of those conservative groups. And you know, it is like to try to

rule the U.S. without the support of the conservatives in the south, and you can't have a very progressive line if you do it. I imagine that this was the explanation.

We are coming to the end of my period before the UN. It is taking a long time, but it is unavoidable because of my life was before I came to the UN. When I left the Ministry of the Economy, I was appointed Brazilian ambassador to Italy. It was, in part, a sentimental choice, because I come from an Italian family. I speak Italian, and my wife as well. So we thought it would be a good way of ending my diplomatic career. When I was in Rome, it was only for a few months. I arrived in March and it was in June or July that Boutros Boutros-Ghali called to sound me off about taking this job at the United Nations Conference on Trade and Development. I hesitated, but not for long, because I was feeling that Rome was too quiet after my experience here in trade, and in Washington, and in finance, and in the environment. And even in the days when I was in Rome, I had been invited from time to time to take part in discussions on trade and I would come to Geneva. So I liked the subject very much, and I decided to accept. There were also important family reasons. Two of my daughters were living here and a third daughter of mine was living in Paris. So Geneva, for me, would be very convenient.

I came, but I must say that when I arrived I found out that the situation in UNCTAD was much more difficult than I knew.

YB: But before UNCTAD, were you not nominated for WTO?

RR: Yes. I had been for some time a candidate for WTO.

YB: Supported by your government.

RR: Yes, the Brazilian government. But then, when I left the Ministry of Economy, I decided to withdraw my nomination.

YB: Ah, it was when you were a minister that you had been a candidate.

RR: To be frank, I had been persuaded by some people to run for the job. But I was not very keen, to be frank. To this day—and what I am going to say, I think, is a point of some interest. I don't think we can be sure about the point I am going to raise. I doubt that a representative of a developing country can be an effective leader in WTO in the current circumstances. I hope Dr. Supachai [Panitchpakdi] will prove me wrong.

YB: Let's hope, yes.

RR: But I think WTO, and the GATT before, has always been an organization so close, so linked to the economic interest of the major economic powers that it is very difficult for someone sensitive to development concerns to do it without risking losing credibility, either with the developing countries or losing the support of the major countries. We will have to see, because in this area the jury is still out. I don't think it is proven that it is feasible, because the pressures are very strong, particularly at the conclusion of those rounds. There is a lot of arm-twisting, of backroom deals that are not transparent.

YB: I know about the non-transparency, but what is, at the end of the day, at the final deal, the role of the director-general?

RR: I think he has a prominent role because he—even if WTO is a member-driven organization—you don't ignore that the secretariat has many, many ways of influencing the outcome. To give you an example, the Final Act of the Uruguay Round was drafted by the secretariat under the direct responsibility of the then-director-general, Arthur Dunkel, is mostly what the interpretation of the major trading partners was. It never reflected the positions of the developing countries. And when Peter Sutherland came, he inverted the consensus rule to say, "If you want to change anything in the Final Act, you have to produce a consensus for change."

But there had never been a consensus in favor before. So there are many, many ways of influencing the results.

If you have a director-general who is really committed to the cause of development, it may become difficult. For instance, take the case of agriculture, or textiles, if you insist that you need meaningful liberalization in those areas that would at least help redress the imbalance against developing countries, I don't think it would be easy. I can tell you that when Renato Ruggiero's term was coming to an end, I was approached by a few important countries, industrial countries, that wanted me to present my name. They were already predicting that it would become very difficult to choose the successor to Ruggiero. And this, as you know, really happened.

They asked me whether I would be interested, and I said, "No. I would rather continue here in UNCTAD." But I never told this story before. I won't give names, but there were influential nations that promised to support me in exchange for appointing their candidates for the deputy director general jobs. I was not interested, because I knew that it would be very, very difficult.

YB: But on the other side, as you have just said, giving the example of Dunkel, if there is nobody with a minimum of sensitivity for the developing countries' concerns—

RR: You see, I have great admiration for Arthur Dunkel. I have said so in the book, where I wrote the chapter about the developing countries' participation. But this is a different matter. Arthur Dunkel is a Swiss citizen. He is very sincere. He has been a good friend of the informal group of developing countries. He tried to help, but his perspective is not coincident with mine. I see things from a perspective from the South. This is a big difference, you see. In the case of Dunkel, he would never have any problem of conscience with some of the decisions

because he thinks they were right. For instance, on intellectual property rights, I happen to believe that the decisions were wrong. I would probably not agree with him. I understand his position that there was a universal feeling that we needed to conclude the round in order to save the multilateral trading system, and he was persuaded that those rules were good.

This is the difference. I don't share this belief. I think that many of the things that were agreed in the Uruguay Round are wrong. And I am in the company of Professor Jagdish Bhagwati, who is a good friend of Arthur Dunkel. I am in the company of Martin Wolff, in *The Financial Times*. I am in the company of J. Michael Finger, the former trade economist of the World Bank. All of them believe, as I do, that intellectual property rights should not be in WTO. But they are now in WTO, and it is practically impossible to take them out. So this is what I mean. Someone with my convictions and my beliefs would have to betray his soul to reach this kind of agreement. It is not a problem for Dunkel because he has different beliefs. From his point of view it is OK, but that is not my position.

YB: You mentioned agriculture, and that they went into a debate on it. I don't believe I will say what I will say, because I am French, but who has liberalized agriculture so far? Namely the developing countries. And some very poor developing countries, with a lot of peasants, are now obliged to compete because of this liberalization with imported subsidized food. And they cannot live with that.

RR: You see, there are two things that I would say in this respect. The first is that, for me, the main problem in agriculture is not to reach total liberalization, including in those countries where a great percentage of the population live from agriculture, like Ethiopia where I went only two months ago. Eighty-five percent live from agriculture. I don't think the problem in agriculture comes from Ethiopia or from India.

YB: No, of course.

RR: The problem in agriculture comes from the industrial countries that have very, very high subsidies. And to be frank, they are not doing that for the poor peasants. Most of that, as you know very well—80 percent of the subsidies—goes to the richest. You know why? In France, the highest rate of suicides of those aged forty to forty-five is among the farmers, because those people are highly indebted. This is a perverse policy because it doesn't help those most in need. I have nothing against the idea of helping the small. I think the problem is when you have, for instance, subsidies for cotton, for the Mississippi Delta—extremely wealthy companies. The second thing to say on this is either you believe in liberalization in trade for all fields, or if you don't believe it, if you think there should be exceptions, in this case you are in trouble with this system.

You see, if you accept that agriculture is a field of production where you should not apply the free trade theory, the theory of competitive advantage—and by the way, the classical example given by David Ricardo is on agriculture. It is the exchange of wool fabrics from England with port wine from Portugal. If you decide to make an exception for agriculture, how can you defend the idea that all countries should liberalize manufactured goods or services? There are countries whose only competitive advantage is in agriculture.

YB: This is the end of tape one.

YB: This is the first of March, continuing the interview with Rubens Ricupero. So we are now in 1995. You have just been appointed secretary-general of UNCTAD. We have discussed the issue of the WTO last time. So I think we will go straight to UNCTAD. When you arrived, what was your agenda? What were your objectives for UNCTAD?

RR: Well, when I was invited by Boutros Boutros-Ghali, I was in Rome. I was still the ambassador of Brazil. So I first came to Geneva to meet Carlos Fortin, who was the officer in charge and had been in that post for more than one year—I think almost one year and a half—to inform myself about the situation. And finally, I arrived here and was confirmed on September 14th. I must say that the situation I found was worse than what I had expected. I knew that there was a crisis in UNCTAD, but it was more than that because it coincided with a very difficult period in the life of the United Nations. In 1995 and 1996, it was the period when the Americans were not paying their contribution to the organization. There was a general feeling of crisis, not only in UNCTAD but in all the system. It also coincided with the deterioration of the personal position of Boutros Boutros-Ghali, which became apparent in the months ahead, after I arrived here. So there was a set of unfavorable circumstances.

In the particular case of UNCTAD, in my first meeting with Boutros-Ghali in New York, he told me that I was expected to modernize and to reform UNCTAD, and I should start by downsizing the organization, by giving back to New York some of the D-2 posts. It was not easy. I had to undertake a major reform on the eve of the UNCTAD IX, to be held in South Africa, in Midrand. I decided to do it before the conference, not waiting for an endorsement by member countries because I knew how difficult it would be. And it was quite a drastic reform. When I arrived, we had nine divisions. We reduced it down to four and one horizontal coordination for the least developed countries. There were many reactions, particularly the least developed countries that were mobilized by people who were interested. But it worked, because it sent the right signal, that we were decided to do whatever was necessary to regain the lost ground.

Then, I also had only a short time before the conference would meet in Midrand. When I arrived, the report of the Secretary-General was very much advanced. But I had some hand in it, particularly the last chapter on the participation of civil society. I wrote it directly. I remember I did it in the airport in Paris, where I had gone to meet the representatives of the French government. It was during the big strike, at the end of 1995, perhaps one of the first big strikes against globalization.

So I was quite under the impression of the French strike, and I proposed something very radical—to have civil society included in UNCTAD in a sort of senate for development. The member countries were not ready for that, and we could not really change so much the organization. But it was useful in the sense that all this showed that there was an intention to reform the organization. But what, in my opinion, was more challenging—much more than the administrative reform and even the inclusion of new players from civil society and the private sector—was the question of the identity of UNCTAD. The sentence that I repeated in those days was that we had to reinvent UNCTAD. UNCTAD could no longer survive with the same kind of approach of the past.

The reasons for this were very clear. The road that had supported UNCTAD was no longer there. After the crumbling of the Berlin Wall, real communism disintegrated very fast, including the Soviet Union. Of course, UNCTAD was never in favor of communism. But there is no denying that the socialist countries used to be a source of automatic support for many of the proposals of UNCTAD, because they didn't feel concerned themselves. They thought that reforms of the capitalist order would only affect the capitalist countries. So you no longer had the socialist countries.

At the same time, the so-called Third World leaders, the leaders of the Bandung movement, were in deep disarray. Some of those countries were soon to disappear, like the former Yugoslavia. Others, like Egypt, became major recipients of U.S. aid. Others, such as Indonesia, had become new Asian tigers. Algeria was in very deep trouble. Latin America had been weakened by the foreign debt crisis. A good example was Mexico, which had been the origin of the Charter of the Economic Rights and Duties of States, which through the process of the foreign debt crisis became a completely new country, a new convert to the new economic recipes. It finally joined the OECD (Organisation for Economic Co-Operation and Development) and left the Group of 77.

So the changes were extremely profound. And you could no longer continue with the system of negotiations through blocs in which each bloc would negotiate in an integrated, unified way. We also had to take into account all the changes in the economic conditions. You will remember that 1995, when I arrived here, was the moment when the globalization process was at a very, very high mark of its influence. We tried to do it in such a way that we would remain faithful to the long-term strategy of UNCTAD, but adapting the tactics to the new realities and trying to take into account something that I have not mentioned until now, but which was the most important change as far as UNCTAD would be affected. That is the creation of WTO, the World Trade Organization.

The fact that, for the first time in history, we would have an international organization dealing with trade was new. Of course the GATT, to some extent, was already playing that role. But the GATT was a fiction, a fiction in the sense that people said that it was more a contract than an organization. The members were called contracting parties. It was not a fully-realized international organization. When finally it came into being, of course people began to ask, "Why

should UNCTAD continue to exist if you have a trade organization that should represent all countries in the world?”

Besides all those reasons that I gave, it is clear that at the time there was serious consideration for the abolition of UNCTAD. The famous commission that was headed by the Swedish prime minister about the reform of international organization had explicitly proposed the abolition of UNCTAD and UNIDO (UN Industrial Development Organization), among others.

YB: And the regional commissions.

RR: And the regional commissions. Of course, he had proposed it in a context where a new council would be created. Like the Security Council, it would be an Economic and Social Council (ECOSOC). People easily forget that the two things were related. But it is a fact that there was this proposal. It is also a fact that some industrial countries were playing with this idea. I imagine that the fact that UNCTAD remained for one year without a secretary-general had something to do with that, although Mr. Boutros-Ghali denied it to me. He said this had never been in his mind. But perhaps it was in the minds of other people.

The fact is that the situation was serious. Morale was very low. People here were fearing that UNCTAD would no longer be in existence in a short time. So, one of the first tasks that we had was to prove that we had a role to play, even in the face of the creation of WTO. And the line of reaction that I developed here was to say, “Well, WTO has a very well-established agenda, but it is basically a trade organization, not a development organization. It is an organization created to foster and promote the liberalization of trade and nondiscrimination, but not to promote development per se, although development may be one of the consequences of the promotion of trade.”

I also said that even in trade, there was an important role for UNCTAD, because WTO had two basic roles. One was to negotiate new norms, new rules. The second one was to solve disputes about those rules. In those two aspects, we would recognize that UNCTAD would not have a role. Even in the past, UNCTAD never negotiated new trade rules or settled disputes. That had never been in the mind of Prebisch. But there was an enormous field for UNCTAD to fulfill, which was the preparation of the negotiations, the preparatory studies and analytical work, as the OECD was doing for developed countries. No one was doing that for the developing countries. So this could be done by UNCTAD. Secondly, the assistance to developing countries during the negotiations, helping them to develop what we called a positive trade agenda—positive not in the sense of value, but in the sense of proactive, no longer a purely defensive or negative agenda, but something that would lead them to put on the table what they wanted in terms of technically sound proposals. And finally, the third point was that UNCTAD would have a role in the post-negotiation agenda. This would be in order to help the countries to take advantage of the results of negotiations, analyzing the results, seeing whatever was necessary to take advantage of the outcome of the trade negotiations.

None of those activities could be fulfilled by WTO, for a simple reason. As the secretariat that should serve the negotiations, WTO had to be neutral and impartial. There was no way that the WTO could prepare studies for the developing countries or to help them to formulate strategies or tactics because if they had done so, they would be involving themselves in the negotiations. I believe that those arguments were persuasive enough to convince people that we had a role to play. But I always added that this was not the most important thing. The most important thing is that, in doing that, UNCTAD had to be motivated by an ethical imperative—that is, to try to always look at things from the development perspective and giving

more attention to the weak and vulnerable, not only the developing countries in general, but the poorest among them, the least developed countries, the African countries, the weak economies.

This idea, this ethical imperative, this search for more justice in trade relations had been at the origin of UNCTAD and would have to be there always. So it was not only a matter of economic efficiency, but also something that had a moral dimension. And I also added that UNCTAD should not confine itself to the trade field, because UNCTAD, from its creation, had been seen as an organization that looked at the woods, not at the trees individually considered. UNCTAD was the focal point to deal with trade, but also with investment, finance, technology, and all the other aspects of development, as a system in interaction, where the different elements should basically contribute to development. The difference between ourselves and the regional commissions was that our vision was global. We dealt with the global negotiations on trade, and of course we didn't have the regional perspective, which was added by the regional commissions. But we were similar in the sense that we tried to see things from the perspective of development.

So even if we didn't have a specific mandate to deal with the monetary or the financial system, we had to monitor this system to see how it would affect development and the relations between finance and trade, for instance. I believe that those ideas remain valid to this day and they have been at the basis of my daily work here. But I would like to say that I was persuaded that, in order to make UNCTAD useful, it was necessary to change our past practices. I knew UNCTAD from my days here in Geneva. And I followed perhaps the last great negotiation of UNCTAD, which was the creation of the Common Fund for Commodities. And I knew, of course, that those days were gone, were over—the days of the big negotiations. There were

many reasons, among them the fact that the leading industrial countries no longer wanted to negotiate those kinds of agreements here.

So how could UNCTAD affect the reality? My own conviction was that UNCTAD had to do so more and more through the development of ideas, the influence of ideas, trying to shape up the debate, not so much through direct negotiations. I would like to explain what I mean by that. My own impression is that UNCTAD, perhaps more than some other branches of the UN—although I imagine that other branches, like the regional commissions, particularly some which are very similar to UNCTAD, like ECLAC for instance, share some of the characteristics that I am going to describe—UNCTAD was the child of the 1960s. The regional commissions were established much before, together with the UN in the late-1940s, whereas UNCTAD was a byproduct of the regional commissions. It is no secret that UNCTAD was, by and large, a sort of outgrowth of ECLAC.

It was basically the thought of Raúl Prebisch and the group around Raúl Prebisch that set the ground for the creation of UNCTAD. Those people reached the point where they felt that Latin America was too narrow for their ideas. They needed to apply it on a global scale, and this is what was behind the resolution of the UN General Assembly to convene the first United Nations Conference on Trade and Development. So UNCTAD was a consequence, an outgrowth of the regional commissions, but at a different historical period.

It was created in 1964, and this has an enormous importance in the configuration of UNCTAD. Why is that? Because the 1960s were a very contradictory decade. On the one hand, they were characterized by polarization and radicalization, and this is clearly seen, first in the aggravation of the Cold War. One should never forget that the decade of the 1960s opens up with the building of the Berlin Wall, whereas when I arrived here the Berlin Wall had crumbled.

When UNCTAD was created, only a few years before, the Berlin Wall had begun to be built. The decade is inaugurated by two major crises—the Berlin crisis, with the erection of the Wall, and the Cuban Missile Crisis. And it would end with another serious crisis—that is, the aggravation of the Vietnam War—the Tet Offensive, et cetera.

In the meantime, you had also tremendous polarization inside societies. One should never forget that the 1960s was the era of military coups—the military coup in Brazil, which coincides with the first UNCTAD; the American intervention in the Dominican Republic; the coup in Indonesia against the communists after Sukarno's death; the coup in Algeria against [Ahmed] Ben Bella; the coup in Greece. And it is also not by coincidence that May 1968 in the Sorbonne is in 1968—not in 1978 or 1948. The youth rebellion in Paris, and all around the world—the big campus manifestations in the U.S. and in many other countries; the radicalization that led to the terrorist movements in Germany and Italy; the Red Brigades, et cetera. All this is the 1960s. One should never forget that.

But at the same time, the 1960s are a period of great fermentation of ideas. For instance, it was in those years that Pope Paul VI said that development is the new name of peace. For me, this is a landmark—the idea of equating development with peace—a new moment in the history of humankind. It is also the moment of the new cultural revolutions, of the rock revolution, which is a sort of revolution in style but also in lifestyle. It is the moment of the sexual revolution, of the emancipation of women. So it was a moment when everything seemed possible—the influence of [Herbert] Marcuse, et cetera.

So UNCTAD was a typical child of those days. It had a very strong utopian content. And this utopian content found its expression in the idea that you could create a New International Economic Order through a process of negotiation among the states around a table.

You know, this nowadays sounds so extravagant, when we are speaking in the year 2003. But people deeply believed it was possible to do something that would amount to a redistribution of economic power—financial, monetary, trade power—that you could do it through a negotiating process. I believe that, in this idea, there was an element of underestimating power, the central role of power in international relations—not only security in the Cold War, in the political field, but also in economic terms.

Not that people ignored power—but you see, if you take the case of Prebisch, Prebisch was not unaware of this problem. But he deeply believed, almost with religious fervor, in interdependence, although at the time the word was not in common usage. The basis for the faith of Prebisch, who as much as I know was not a religious man—his is a sort of a lay religion—was that it made sense, it was rational, to help the developing countries with reforms in the trade system, because if those countries managed to export more and more valuable products, they would be better able to import the technology and the machinery from the industrial countries and pay for them without piling debt upon debt. And the industrial countries would gain by this process. He never believed that in the confrontation that took place in UNCTAD with the group system that he was trying to harm the industrial countries. He thought it was the interest of industrial countries to help the developing countries to be able to import. You remember all his theories about the import gap, the financing gap, et cetera.

YB: If I can interrupt you on that, it is exactly the view developed by Gunnar Myrdal in 1949.

RR: Exactly.

YB: He wrote that for Europe it is absolutely necessary to see the underdeveloped countries at this time developed.

RR: I believe that Prebisch was under the influence of Myrdal, because, as you know, all that generation of Latin American economists, like Furtado, Prebisch, Anibal Pinto, they had read Myrdal. I think they were, in many ways, disciples of Myrdal. So you are quite right in raising the similarity. But through this way, Prebisch thought that power would not be an obstacle. He thought that this would be in the interest of the powerful countries. Of course, he thought that they were much more enlightened than they proved to be. He was attributing to them qualities that, unfortunately, I don't think they had. So you know, very, very soon it became apparent that the powerful countries here were not going to cooperate in Prebisch's dream.

I am not going to speak about the history of UNCTAD, but the fact that Prebisch left immediately after accepting a second term, just a few months later, is a good indication that he finally became disappointed with the possibilities of realizing this dream. But the successors of Prebisch continued in this path, although it was becoming increasingly visible that this would not lead anywhere.

When I came, this was no longer possible. Any notion that things should continue to go on as in the past had by then completely dissipated. So I had to face the reality and to say that the king was naked, that we had to abandon, not the dream, but the idea that UNCTAD would be the privileged place, the theater, the stage where the negotiation to change the world order would take place. When I arrived it was already clear that UNCTAD would not be that place. One of the reasons was because UNCTAD, of course, like all the other branches of the UN, was a much more democratic institution than some others. And it was not the kind of institution that the industrial countries could easily dominate.

So one had to change the approach, but keep the strategic goal. How could one do that? We could do it by joining forces with others that were, together with UNCTAD, trying to keep alive a critical view of the process of globalization—not repudiating this process in bloc, which would be absurd, but trying to position themselves in face of this process, with a critical eye. You know, Prebisch says it very often—and I am a great reader of Prebisch—that the role of the economists from the South—all the economists committed to the development of the South—should not be to reject the neoclassical theories from the North. Those theories have great merit. What they should do was to read them with a critical eye, trying to see what was necessary to adapt those theories to the different conditions of developing nations where there were structural differences that should not be overlooked.

I believe that the same was true regarding the problem of globalization, which at the time was a process that seemed to have a sort of irresistible momentum. You had to see what was correct, what was healthy in that process, and what was not. My personal opinion is that globalization is, in essence, a historic and cultural process in the sense that the old Marxists would use this word. It is not by coincidence that some of the best descriptions of globalization are to be found in *The Communist Manifesto*, because globalization is very much in the direction of history. And in many aspects, as far as globalization is an expression of very profound technological and economic changes, it is futile to try to oppose it per se.

I believe that the main force behind globalization is a change in culture and in science—the changes that brought about the revolution in telecommunications and in information science. This is what created the key condition for globalization—that is, to make communications among human beings much easier and much cheaper. And communication has always been, from the beginning of civilization, the way of spreading civilization through the

inter-fertilization of cultures and civilizations. In this sense, globalization goes much beyond the unification of markets. It is the unification of the human space for communication, for understanding, for cooperation, of which the unification of markets is but one component, but should not be seen as the only one or the most important one.

Many people take this dimension of the unification of markets, not only for trade but also for investment, or financial flows, as being the soul of globalization. I don't think this is true. The soul of globalization is communication, is the facility to have, for instance, a world public opinion. I tried to develop here, with my colleagues, some ideas that could contribute to positioning the developing countries in face of globalization with a positive attitude, to see how they could take advantage of this movement of unification, how they could integrate. But here I would like to stress one of the points that perhaps I have brought as a personal contribution because of my own personal background of being born and having grown up in Brazil.

I never swallowed this idea that integration into the world economy, the integration into the globalized economy, was per se a positive value, a positive goal. Unfortunately, most of the literature that we read makes this sort of simplistic mistake, to say that developing countries are not integrated in the world economy and the way for them to develop, to fulfill their potential, is to integrate fully into the world economy. I never believed in that, for a simple reason. My own country, Brazil, is perhaps the best example of how this theory is totally wrong. Brazil, from the beginning of its colonization in 1537, was totally integrated in the world trading system, because it would export almost 100 percent of its production of sugar, and later of gold, of diamonds, of coffee, cocoa, rubber. Brazil was totally integrated. You couldn't dream of a country more integrated in trade than one that practically exported 95 percent of its production.

But the same process that integrated Brazil externally was the factor that disintegrated Brazil internally, because this system could only exist through widespread slavery and the plantation system. Brazil was the largest producer of sugar in the sixteenth and seventeenth centuries because it was based on very large landed estates worked by African slaves. Brazil was, by far, the country that received the highest number of African slaves. To give you an example, of the more than eleven million African slaves who arrived alive in the Americas, Brazil accounts for four million, whereas the U.S. only accounts for 530,000. So Brazil received about more than two of each five African slaves. It was a disintegrated society, because it is impossible to imagine a society less integrated than one that is based on masters and slaves, on a few landowners, and the rest people without anything.

What I am trying to say is that what counts is not the quantity of integration; it's the quality of integration. Unfortunately, I think that many economists who are preaching the gospel of globalization forget this simple truth, that most developing countries are integrated in trade because they sell practically everything they produce. But they are integrated with a poor quality integration. The problem is how to change from a poor to a better quality integration?

YB: Deterioration of terms of trade.

RR: Exactly—one needs technology, education, income distribution, all those aspects. So I thought that we should concentrate on those aspects. I am happy that this approach of trying to influence things is working—in a humble way, because we know very well that UNCTAD is only one of several organizations that are trying to do that, but trying to do it through the development of good ideas, ideas that could be effective. For instance, in terms of dealing with financial globalization, which is so difficult, you need regulation, you need supervision. I believe that the niche of UNCTAD should be to concentrate on building the linkages between

trade negotiations and the enhancement of the productive sector, not in separation, not in sequence, but together. Most developing countries have more problems from the supply side, because they have a narrow basis of production than they have in terms of market access.

They also have market access problems, but in many cases, when you deal with the commodity producing countries, what is the situation? Those countries in Africa, for instance—more than forty out of fifty-three—more than forty rely largely on coffee, on cocoa, on palm oil, on petroleum. None of those products have anything to gain from negotiations in WTO because coffee, cocoa, petroleum pay zero tariff. Their problem is not barriers. Their problem is that there are too many producers, a glut in offer, and consequently the prices tend to drop. So those countries have to diversify away from excessive reliance on a few commodities. They have to include added value in what they export. They have to attract foreign direct investment. I have an open mind on this. Foreign investment may become necessary as a way of integrating a country into the international chain of production and distribution.

You have to link the trade negotiations with the productive sector, dealing with matters related to the upgrading of technology, the small and medium-sized enterprises, helping developing countries to deal with the environment. They are modest ideas, not the grand designs of the past. They will take much longer to put into practice. What I see is that there is already progress being made. Years ago, fifteen years ago, when I was working in the Uruguay Round, very few people in the industrial countries would admit in public that the world trading system was full of imbalances that worked against the poor. Even today, the Americans don't recognize it officially. Despite this, nowadays, it has become so widely accepted that it is practically what Antonio Gramsci would describe as a philosophy that became a commonplace.

Nowadays, not only all the NGOs are saying that, but the World Bank, the IMF, Clare Short, all the ministers of development cooperation are saying that. I hope that UNCTAD was in part responsible for the change. I don't want to sound exaggerated; I know that many people contributed to that. But I hope that UNCTAD was among those who helped the international community to recognize that there was a problem, that you had to deal with this problem of a structural imbalance. This remains a true problem in the financial field, where, I am afraid, there is still too much resistance to admit the need for change. Perhaps I spoke too long about this.

YB: You did not speak for too long. It was fascinating, and it raises several questions. I would say that, first of all, to start with what you said at the beginning, about your approach when you arrived in UNCTAD. You have been very successful in reminding governments what UNCTAD can, and sometimes had already provided—I think the accent on development rather than trade, the preparation to negotiations taking place. I swear, on that point I remember that in 1982 UNCTAD was discussing and preparing developing countries for the negotiations on services and the OECD countries forced UNCTAD to stop these preparations. But in 1985, when it was clear that the developing countries were not ready to enter into the negotiations, then they asked UNCTAD, “Yes, yes, please.”

RR: And it has played a role. You know, the current structure of the GAS, the General Agreement on Services, came from UNCTAD—the idea of a positive list, not a negative one.

YB: But it is clear that, in 1995, all these things were no longer in the minds of government. And also, taking from what you have just said at the end, I think your idea of making this link between development as a positive structure in countries and the relative openness of the country is a way to remind people of the success story which developed with a clear policy of building capacities to compete on the world market, under some tariff protects

and so on. I think it is good that you help people to admit things that are not always admitted. I was, myself, extremely shocked going to South Korea and having clear discussion with government on what they did and how they built up their economy, and going back fifteen years later and hearing from them, "I don't know, it was purely the success of the market," which is completely untrue.

RR: They are saying that to this day?

YB: Yes. So that is interesting. But that leads me to some questions. First, you may not know that when I left UNCTAD, Boutros asked me to make a note of three pages on what could be the role of UNCTAD. I visited several governments here, of developing countries.

RR: I did not know that.

YB: One issue was an OECD of the South. Did you want it to be an OECD of the South? My impression was that they did not want that because they want an UNCTAD to also test the reaction from the others. You had the same view?

RR: Yes, I had the same view. And to be frank, I don't think it would be feasible, because the OECD is the OECD because it is confined to the industrial countries that finance it. I don't see how you could persuade the industrial countries to finance an organization where they would not be present, where they would not have the same, and could develop ideas and proposals that, at least in the short term, would not go according to their wishes. I think it would be unrealistic, and I don't believe the developing countries would be ready to finance it themselves either. This would be similar to the problems faced by the South Centre. You'll see how difficult the situation is there in the center.

YB: But it is not working. But a similar issue was it's a symptom for us. And in a way, what you say is immense in a way. You said ideas are very important.

RR: I don't think this should be seen as negative or one should be ashamed of accepting this position. As you know, to think or to talk are the two bases for political action. You have first to think to develop your ideas, first to talk to others to try to persuade them. And then you are ready to act. The fact that we are not a negotiating forum is not for me the key problem. There is even an advantage in—the fact that you are not a negotiating forum. This will allow UNCTAD from time to time to play a very useful role in discussing delicate issues in a more relaxed way.

There are many discussions that have been taking place here on services over the last six years. We started a program—in the context of this idea of linking trade negotiations with the productive sector—we started a program where we would examine in expert meetings each important service sector at a time. We started with the export of health services. Then we had another on tourism. We had another on construction industries, on environmental services, on energy services. The last one was on audio-visual services.

You see, it was interesting. To give you an example, on audio-visual services—that is movies, TV, records—it was interesting to see that some developing countries, such as Egypt, India, and Brazil, that already export films, were very much interested in presenting offers to liberalize this area, whereas France was against. France came here to say that we should not try to negotiate on that. So on this matter some developing countries were more liberal than certain advanced economies. And you see, those discussions were interesting because they were not a negotiating forum, so they could say things that they would never dream of saying in WTO, because in WTO anything they say will be used against them. Here they can say anything because it is more relaxed.

Another example, our conference in Bangkok, UNCTAD X, took place only a few weeks after the Seattle fiasco. There is no denying, everybody recognized that it was a contribution to the healing process, because it was organized with the idea of bringing everybody together. Michel Camdessus was there, alongside Mike Moore, Jim Wolfensohn. Everybody discussed what had taken place in Seattle. And although it didn't deal directly with that, I think it helped pave the way for a recovery because it was not done in a spirit of confrontation. We were not going to launch any process of negotiation, so people could come and discuss in a relaxed way. So I don't think it is bad to have a place where you can test ideas, where you can discuss them.

And you see, in many areas, what UNCTAD has been saying is making a mark. Much of what the World Bank is doing now on trade is very close to what we have been saying. And even more—the criticism that UNCTAD recently, last year, made of these Poverty Reduction Strategy Papers (PRSPs)—although the report we issued was very uncomfortable for the IMF and the World Bank because we said nothing much had changed in terms of economic strategies; now they are beginning to recognize it. They told me privately that the problem was not the content of the report, but the fact that it was made public.

YB: If it is not public it is shelved.

RR: To give you another example, I recently went to a meeting in Addis Ababa, sponsored by our colleague from the Economic Commission for Africa (ECA), Mr. K.Y. Amorako. He calls it the “Big Table.” It is an informal discussion of NEPAD (New Partnership for Africa's Development). During this informal discussion, I was astonished to hear the representative of the IMF recognizing what we have been saying for years, that the Highly Indebted Poor Countries (HIPC) initiative had run into trouble, because the IMF and the World Bank had been too optimistic in the projections they made of economic growth and export

expansion. And he said—and this is what is great—“We were optimistic because we were under the pressure of some powerful countries to do so.” And he admitted in public a fact that is now already well-known, the fact that Uganda, which had been the first and only country to reach the completion point, now is running behind schedule again because of the collapse in coffee prices. He said, “We made optimistic projections because we were under pressure.” And he said it in public.

I believe that those things are making headway. I am not naïve. I don't think it is only the power of ideas instead of the idea of power, as people put it, that is proving to be a winner. In my opinion, it is a combination of ideas and the real changes that are taking place in the globalization process. When you look back at the 1990s, the decade of globalization, what you see is almost a division in the middle. The first five years were roughly the period of irrational exuberance—in terms of globalization, I mean, not the stock exchange. That is, it was the period when, after the crumbling of the Berlin Wall, everything seemed to go in the direction of the unification of markets. It was the conclusion of the Uruguay Round, the years when there was enormous liquidity in financial markets. It was very easy to get money for emerging markets. It was the years when investment was flowing very easily.

Then it changed abruptly. In my opinion, what really marked the change—in this I agree with Michel Camdessus—was the Mexican crisis of the end of 1994 and the beginning of 1995. The Mexican crisis marked the beginning of financial crisis that grew increasingly frequent. Before the Mexican crisis, people had the illusion that financial liquidity was there to stay. After the Mexican crisis, we began to have crises more and more often and the intervals became shorter and shorter—in 1995, Mexico and Argentina; in 1997, Asia; in 1998, Russia and Brazil, one after the other. It is the impact of the financial crises that, in my opinion, has shown that

globalization was in trouble—not that it would cease, would stop. I would like to go back to this image of Paul Valery, when he said about the First World War that, “We civilizations discovered that we are mortal.” It was in the Mexican crisis that globalization discovered it was mortal—not that it was going to die soon. I don’t believe it is going to die, but things became more complicated.

You can see it in three processes that were indispensable to complete the legal and institutional framework of globalization. One was the Multilateral Agreement on Investment—the I’AMI in OECD—to make the world safe for investment, for the transnational corporations. The second one was the attempt of the IMF to change the articles of the IMF to introduce as an obligation—because it is not an obligation right now, but to amend the Articles of Agreement to make the total liberalization of the capital account as an obligation, as it is already in the current. They had to stop after the Asian crisis. Thirdly, there is the fact that the world trading system is facing more and more difficulties in completing the liberalization process—you will remember what Jagdish Bhagwati wanted a date in the year 2000 for the total elimination of all trade obstacles. This continues to be a distant goal. Those three processes were indispensable for globalization. They have run into trouble. Not that they are going to disappear, but there is no longer the same kind of optimism about the future.

Those were historic changes. For instance, the campaign against I’AMI and the campaign in Seattle. You started to see a mobilization of civil society. This combination of ideas that give sense, give meaning to changes that are taking place in the real world, but not only the ideas, together with the real changes because what is really changing is the reality itself. And I am persuaded that now, after September 11th, and with the focus on terrorism, on strategic and security matters, there is a real danger that, at least for a time, all things that were considered

as indispensable for globalization, like a free crossing of borders, not only for merchandise but also for persons, the fact that the nationality of a transnational company should not be a problem—all those things are now open to question. We are already seeing the U.S. attitude. They are putting pressure on companies not to move to Bermuda, to come back to the U.S., to punish the companies that try to escape domestic taxes. They are applying the Sarbanes-Oxley Act to all companies all around the world, not just to American corporations.

All things that were considered dogmas of globalization are now in jeopardy because of security considerations. Again, I am not saying that this is like the First World War, that put an end to the Victorian Age globalization. I think it is too early to say that. But things are changing.

YB: Just another question on negotiation. You mentioned the fact, and I agree with you, that negotiations are necessary. UNCTAD developed the first agreement with GSP. It was not a success, but GSP, it can be said it was not useless. They put on the table all things about restrictive business practices.

RR: Which is still a—

YB: —which is still a good contribution. The point that I wanted to raise was, when I made this little tour of some key countries in UNCTAD, some say it is time. You know that now that we are not negotiating anymore in UNCTAD, we have to consider if in all our efforts—the Group of 77 and all the efforts to lead on some proposals here in UNCTAD—we are not losing time, and we better focus all our efforts on WTO. So the point is, what is your assessment of the time of the ambassadors? Has not the time of the ambassadors shifted from UNCTAD in the 1960s to the GATT/WTO today?

RR: I agree. I agree because there is no denying that nowadays the ambassadors here have to spend much more time in WTO. And it will be more and more so in the future, for a simple reason. WTO is becoming a sort of organization for continuous negotiations and on many different subjects. So, most of the diplomats here have to deal with those matters almost continuously. And this is why I am personally persuaded that UNCTAD has to evolve in order to depend less and less on diplomatic interaction and try to play a role more directly in terms of economic development of countries. This is, among other things, why I am concentrating on the linkage between trade negotiations and the productive sector. We have now a pioneer program with UNDP (UN Development Programme), in order to help developing countries to prepare for globalization in terms of trade, of institutions, et cetera. It is the first experience UNCTAD will have of working in the field, with UNDP, under Reinaldo Figueredo.

If it works well, it will be a symbol of what we can do in the future, which is to provide UNDP with some ideas in the economic field to try to help countries to deal with their productive challenges. I agree with you that, if UNCTAD remains only a conference—that is, an organization dealing with diplomats and missions—I don't think there is much hope for a useful role. In this area, UNCTAD should not compete with WTO. But, on the other hand, I must tell you that I think people sometimes are over-optimistic about the idea that WTO would solve our problems. When you did those consultations, it was in the period when there was this honeymoon with WTO.

YB: 1993.

RR: Everybody thought that WTO, as the Americans say, was the new girl in the block. There was a lot of excitement. You know, nowadays if you go to WTO, the feeling is of gloom. The moment the WTO discovered it was mortal was Seattle. Of course, it didn't die and it won't

die, in my opinion, because there is a need for such an organization. But the idea that once you transferred everything to WTO things would go smoothly was very much an illusion. You will see now in those negotiations, they have brought in everything. So what I am trying to say is, to some extent, the problems you remember in UNCTAD when you were here, and sometimes were attributed to UNCTAD, they derived not from UNCTAD. They derived from the intractability of the problems themselves. No matter the organization where you are going to face them, the same problems will come to the surface.

I will give you another example. During the Uruguay Round, the Americans and the Europeans were able to negotiate intellectual property rights in the GATT. Now they decided to transfer them again to WIPO (World Intellectual Property Organization), for the negotiation of the new treaties on this matter. They are running into enormous difficulties in WIPO, because the problems—the difficulties are in the substance of the matter itself, not only in the organizations. Of course, I admit that the group system here was not helpful. But it was not only that that made it impossible to reach agreements.

YB: I think, frankly, you have made a beautiful presentation. I would like to argue with you just a little bit on globalization. Do you remember you organized this debate in UNCTAD X on globalization and the five regional commissions were there? It was interesting for me. I remember that ECE (Economic Commission for Europe), ESCAP (Economic and Social Commission for Asia and the Pacific), and ECLAC, the three of them said that the trends are more towards an acceleration of intraregional trade than interregional trade. And statistically it is true. The only regions which remain totally integrated are the Middle East and Africa, I think because they are not developed. There are good reasons why geography matters.

RR: I don't disagree. I agree entirely with what you say. The fact that geography matters, and matters very much, can be seen even inside the Western Hemisphere. When you look at the countries that are close to the U.S.—that is Mexico, the Caribbean countries, Central America, and even Venezuela and Colombia—you will see that all those countries have a degree of concentration of trade in the U.S. that varies between 48 percent and 88 percent of the total. Whereas the countries that are more far away, in the South, they have much less. Paraguay has only 8 percent of trade with the USA. Argentina has a little more than 10 percent in the U.S. Brazil has a little bit more, more than 20. But it is much less than the countries that are closer to the U.S. So it is absolutely true. You know, Vivienne Ventura-Dias, who is the director of the division of trade in ECLAC, she told me that 80 percent of the merchandise trade inside NAFTA (North American Free Trade Agreement) is carried by trucks, because Mexico is the same territory—that is, a continuation of the U.S. territory. You can't send much from Brazil by truck to the USA. You see, it matters.

One of those simplistic phrases that you hear without challenging it is that the technological revolution in telecommunications, in transport, has made time and distance irrelevant. It think it is true to some extent about time, but not about distance. The bulk of world trade is still carried by ships. Of course, you can have goods that can be downloaded through the internet—software, for instance—but most goods that are material goods, you have to carry them. You see, there was no such comparable revolution in transport. There was a moment when people thought it was happening, that there would be a revolution. But in reality, air transportation is very expensive today. Only some kinds of goods can afford it. So I think you are right.

YB: I have just another point on globalization. You underline, and you say it again, the importance of telecommunications and so on. I agree. I would not disagree on that. I would simply wonder, because there is a question of trend and is it something really new? If you remember the end of the nineteenth century, when the telegraph started working, the news between the United States and Europe was a matter of minutes, instead of a matter of weeks by sending boats. So there was already some of this rapid acceleration.

RR: Let me expand a little bit because I think you raise a point which is central to this debate. My own impression is that when people speak about the information revolution, or the information and communications revolution, they should not compare it to the industrial revolution, as it is often done. One should compare it instead to the first information revolution, the one by [Johann] Gutenberg. This is not my own idea, but something I read first in a text of this famous thinker who lives in the U.S., of Austrian origin. What's his name? Peter Drucker, yes. He said that the industrial revolution was mainly a new process of multiplying goods, like clothing, that already existed before. The information technology, as in the case of Gutenberg, was something deeper, because it created new possibilities that allowed the access of people to knowledge, to information, to communication, to newspapers. It had a tremendous impact on the mentality, on the way would deal with ideas.

We are again back to where we started—the power of ideas, the famous phrase by Lord [John Maynard] Keynes. You remember when he said that even practical men that think they have no time to waste reading a book are often acting on the basis of theories of deceased economists. Ideas are always behind all these things. And the information technology makes the flow of ideas much easier. I once read something very interesting by a Romanian Marxist, a heterodox thinker, who had many problems with [Nicholae] Caeucescu. His name was Silvio

Brucan. He was one of the very few people who saw at the very beginning that the Soviet Union would not survive the information revolution. The Soviets were very good as long as the problem was to deal with scientific changes in energy, like atomic energy, the problems of missiles. They were the first to put a Sputnik in orbit. But they weren't able to deal with the information revolution because their system was based on secrecy, on restricting access to information. Brucan said, "How can a country where the phone directory and the map of Moscow streets are secrets of state—how can such a country compete in the information revolution?"

The information revolution is different from transformations in production. Let me just give you a concrete example of something that has to do with the movement against globalization. The information technology, particularly the internet, has made possible something that not even the Gutenberg revolution had allowed. It empowered common people to use a powerful medium to communicate among themselves. You see, this is not true about newspapers. It is not true about the radio. It is not true about television. Take this controversial book in France about the role of *Le Monde*, the accusations that this newspaper and others sometimes mingle their economic interests with information policy. If I go to a radio or a TV station and say, "Well, I have some ideas about globalization, the negotiations in WTO, and I would like to talk to people through you to convey my message," they won't allow me to do it—only if they think it is in their interests. But if you go to the internet, you can do it. It is the first medium that is not controlled by the owners of the media or the owners of capital.

I don't know how far it will go. But until now—why do you think that it is possible to organize mass demonstrations against governments in the case of the Iraq war? It is largely through the internet. A few days ago, there was a sudden mass manifestation of students in

Geneva, and it was all organized through the internet. This would not have been possible some time ago. Of course, it is true that in many countries it is not possible, yet—in Ethiopia and others—because there is much exaggeration about the velocity of the spread of globalization all over the globe. I think that, to some extent, this revolution makes possible a certain degree of return to democracy, which will require a new rethinking of political theory, because we are all now persuaded that the only kind of democracy possible is representative democracy. You vote, you choose your representatives, and they will represent you and speak for you.

By the way, this is the origin of the difficulty of the United Nations and international organizations to deal with NGOs. People say, “Well, if we are dealing with democratically-elected governments, why should we pay attention to Greenpeace, or to Amnesty International? Have they been elected?” The problem is that people are no longer accepting the idea that once they vote, they should forget about having their own opinion expressed in a different way and even in an opposite way to their representatives.

We are in the middle of a complex change, and we are not seeing where it will lead us. You see, Switzerland is an interesting country because they have some elements of direct democracy, although they are also mainly a representative democracy. The internet is now allowing other countries to have some aspects of direct democracy as you find in Switzerland. I don't know how this will affect democracy in the long run. We are seeing in Spain, for instance, a government that has 90 percent of the public opinion against it in the case of the Iraq war. In the long run, it will have consequences.

YB: We should move soon to general questions about the UN, but a transition could be made on technical assistance. You did not choose this expression, but you said that you are devoting more time to covering frameworks for countries in organizing their development and so

on. There is also a great deal of technical assistance going on in UNCTAD. It is argued sometimes that technical assistance, for the UN, is dangerous. The man who wrote the chapter on ESCAP—the contribution of ESCAP to ideas—said that ESCAP had a few ideas in the early 1950s and 1960s. But when, in the middle 1970s, ESCAP became an executing agency, like the original regional commissions, ESCAP focused all its energy on that. The author says that ESCAP has no more ideas and ESCAP is propagating, through its technical agencies, the ideas of those who are paying for it. It is an extreme criticism, but how do you assess what should be the role of technical assistance for UNCTAD?

RR: First, I recognize that the point is well taken. I think this danger exists everywhere, including in UNCTAD. There is the risk of becoming too much fascinated by the daily activities of technical assistance and forgetting about the real problems. Secondly, the role I see for technical assistance is more as a testing laboratory for ideas. I don't think UNCTAD should aspire to become a major agency in technical cooperation. We are too small for that. Ideas should have three stages. One would be the intellectual development of ideas through research, statistical analysis, debate, et cetera, until you can have something more or less coherent. That is the first one—the generation of the ideas. The second one would be consensus-building, trying to build some consensus with different countries around some ideas. If you don't have the support of the member countries, you can't apply them. The third stage would be and try to see in the field how those ideas would play. You would need some countries that are ready to test those ideas to see how, in practice, they will work. And I would say that there should be feedback from the practice into the people who generate the ideas.

Let me give you a good example about ECLAC. I followed ECLAC closely, and I am a great admirer of the work they do. I am very interested in the debate that they started a few years

ago, to asking the question, “What was the real impact of reforms in Latin America and the Caribbean?” ECLAC has been one of the agencies that has been trying to implement reforms, managing at the same time to keep its identity. It was on the basis of this famous phrase of Fernando Fansilberg from ECLAC. They used this name that he gave as a go: “productive transformation with equity.” This would be the goal—to transform the production with equity. And they are asking themselves to what extent this has happened in practice. I have been reading what they have been writing on income distribution, on poverty, on indigency, on unemployment, and all those aspects. They are publishing nine different books, each on a major country, where they have looked at the reforms. So they are testing to see whether the ideas are working or not. The conclusion, of course, is that the results are mixed in most cases. In some cases, in some countries, it worked better than in others.

YB: Very good. That is exactly how it should be done. You can also say that if you develop, like some entities do, norms, and standards, and clear policy, so that you have a basis, agreed within the international debate, and they have to be implemented, these norms. But it is excellent to check if it did. It makes sense because ideas could be wrong. Well, to ask two questions which are similar to the others, what about the global conferences? What is your assessment of this series of global conferences?

RR: I found that they have been very useful, particularly in some areas, like the environment and human rights, where you needed a sort of codification. After a period of enormous creation, you needed to organize a little bit what was the consensus on those matters. But I must say that, although they have been very useful on subjects of this kind, such as women, as well as population—the Social Summit, all those conferences were landmarks—they are now suffering from a different danger. The world has entered into a period where, I am afraid, the

atmosphere is no longer propitious for those large conferences. Why is that? Because the conferences were, by and large, the product of a period where some ideas were maturing and were reaching, not total universal consensus, but a very widespread consensus on the need for multilateral approaches. And unfortunately, in the last few years—mainly in the U.S., but the U.S. is absolutely vital in this matter—we saw a contrary trend away from this recognition of the usefulness of a multilateral approach.

This is not new. It was present, even ten years ago, before the Rio Conference on Environment and Development. I was, at the time, the Brazilian ambassador to the U.S., and I had instructions to try to persuade the U.S. to join the two major conventions that were going to be signed in Rio. On one case, the biodiversity convention, we already knew that it was almost impossible. But in the second case, the climate change convention, I can tell you as a small anecdote about the role of a personality much better known now. I had a very long conversation with Robert Zoellick, who was then the under-secretary for economic affairs in the State Department. He is a very intelligent man. When I spoke to him, the Americans were still considering the options. Finally, they decided to join the climate convention, although not, of course, because of Brazil's demarches.

But you saw what came later. At the time, the USA had a Republican president, [George] Bush senior. He signed the climate change convention. But then, when we came to the Kyoto Protocol, which is a byproduct of the climate change convention, the Americans were no longer in favor—the moment of the practical application of the climate change convention. There had already been a negative evolution. This became very palpable in other cases. One was in the Law of the Sea, the problems related to the convention on the exploitation of marine resources. Then there were two recent issues—the treaty banning personnel mines and the treaty

establishing the International Criminal Court. On those two occasions, the Americans dissociated themselves from the almost universal consensus.

We have to pose to ourselves a question, which is more serious than the one that you posed to me. You asked me about the large conferences, but the problem is the future of multilateralism—even of the United Nations. My own view comes from what I said about the large thematic conference—that is, the problem is not so much the subject matter in each case but the degree of support for multilateral approaches, for the search of genuine, democratic consensus for the solutions to common human problems. This also applies not only to the large conferences, but to the UN itself. The UN is but a stage in a long process of evolution in human history—the search for an international organization of states. The UN only became feasible because it had behind it the power of the United States.

The two occasions when the world tried to organize an international institution of states—in Paris after the First World War, and in San Francisco after the Second World War—the idea came from the United States. The difference was that in the first case, the U.S. was not entirely persuaded. It was mainly a personal idea of President [Woodrow] Wilson. The U.S. finally did not join, and this was one of the major reasons why the League of Nations became a sort of European organization, and finally, died away. The UN had a better destiny because it was not just an idea of Franklin Roosevelt, but it was also the expression of the thought of an outstanding generation of U.S. diplomats, politicians, and statesmen. It was an entire generation from the East Coast establishment, internationalist in outlook. That generation was an exceptional one, the generation that had lived through the Great Depression, that had created the New Deal, that had fought the Second World War and was about to create the Marshall Plan. That generation was able to generate a bipartisan support for its ideals and goals.

The reason why the UN was instrumental in many episodes of the period, including the resistance against communist aggression in Korea in 1950, was the fact that there was bipartisan support for the U.S. foreign policy. At the time, the Republicans were already the dominant force in the U.S. Senate—it was [Harry] Truman’s term—but it proved possible to forge bipartisan support with Senator Arthur Vandenberg. I read the memoirs of Senator Vandenberg, the chairman of the Senate Foreign Relations Committee, the man who was instrumental in shaping this bipartisanship of U.S. foreign policy. This bipartisan support for a multilateralist diplomacy no longer exists. This is why we are in trouble. We no longer have a generation of this quality, with a cultural hegemony, in the concepts of Gramsci, in the U.S. to make sure that the multilateral approach will prevail.

This is why I think the problem goes much beyond the large conferences. It is the future of the UN that is at stake. I don’t want to be alarmist, and I don’t think that even the invasion of Iraq will be the beginning of the end. I don’t think so, because I hope that the situation will change in the U.S. in the future. I hope that problems such as the ones that will be generated by the Iraqi invasion will help persuade public opinion and the political establishment that they have to rely on multilateral approaches. But right now, this is more a hope than a certainty.

YB: You were saying that you don’t believe that Iraq will be the end of the—

RR: No, I don’t think Iraq will be for the UN what Abyssinia was for the League of Nations, because I believe that the UN will be able to survive. The worst has been avoided. The fact that we are not going to have a veto in the Security Council—even if it is only for appearance’s sake, it is better not to have a veto and to have invading countries say, “Well, the previous resolution already gives us the power.” Of course, this is not true, but it is better to assume that, rather than an open challenge, to say for instance, “No matter what you believe, we

are going to invade.” You know, the UN is a fragile institution. It needs this kind of apparent support, even when it is not real and deep. I don’t think it will be the beginning of the end because the Americans, and the British much more, know that they will need the UN for the reconstruction period. Of course it is very little, because they are going to use the UN as an instrument. But it is better to keep it alive and to hope for a change in the U.S., than otherwise to dismiss it.

YB: I agree with you that I don’t think it is the end of the UN. I agree also that it helps everybody that the new resolution was not put for a vote. But what I found very important is that it is an indication that the floating member states of the Security Council were not ready to be bribed. Frankly, if it would have been put to a vote and accepted that countries had been bribed, that would have been a terrible blow for the UN.

RC: The legitimacy of the UN. I agree with you. This is also an important dimension. I believe that we are living in a very somber moment, and by no means am I trying to put a brave face on it. But it is important to make sure that, though fragile, the UN survives. It is important to keep it alive and hope that this trend in the U.S. will pass, because if it doesn’t pass we will be in trouble. Going back to what you said about the large conferences, if the major power in the world loses its interest in the multilateral approach, then there is no future for multilateralism.

YB: I think we are about at the end. It has been longer than two hours. In your perspective, the issue is not reform of U.S.—I mean, of the UN.

RC: Rather, of the U.S. and of the political establishment. I think there are two attitudes here in the explanation of the American attitude.

YB: I have the time on the tape. It is 1:50 and it goes to 2:00.

RC: In the case of the U.S., I think the explanation for the American attitude is in part a consequence of two unlikely accidents. Under normal circumstances, it is difficult to imagine that a group so extreme in their views would come to power in the U.S., not because they are conservative, but because they are extremely conservative—ultra right wing. They have been criticized even by moderate conservatives, people like Bush Sr., James Baker, General Brent Scowcroft. All those former government officials are critical of this administration, and they are all Republicans, and all conservatives. So it is not just a matter of conservatives against liberals. It is a group that is too much to the right, and this group came to power not as an expression of a profound popular movement, but almost by accident.

The second thing is that even then, this would not be enough were it not for the terrorist attack of September 11th. It was the combination of those two factors—the lateral accident and the backlash against the terrorist attack—that created in the population a feeling of insecurity. This is only one of the elements. The other element is that the trend had begun before. We should not forget that even under [Bill] Clinton, it was already there. It was Clinton who refused joining the treaty banning personnel mines. After much hesitation, he finally signed the treaty on the International Criminal Court, only to have the new president unsign it a few months later. So this tendency comes from the past. This is more troubling because it shows that there is a trend in the U.S. which is not only confined to the far conservative right. There is a trend away from multilateral solutions, even among more moderate sectors. This is why I don't think that the problem will be solved through reforms to make the UN more effective. It goes deeper, and it would require a better examination of the reasons for this evolution.

My own impression is that—as I said before when I spoke about the crisis of globalization—there will be a change. But this change will come about as a combination of

ideas, with changes in the real world. The changes could come either because post-Iraq war will prove to be a very painful period—the difficulty of reconstruction, the reaction of the Arab states, the problems of terrorism—or because of economic problems, and probably because of both. To be frank, I can't predict—no one can—what will happen to the U.S. economy and the international economy in the years ahead, but we are seeing in the U.S. economy many signs that are deeply disturbing. Some are short-term problems, but others are much deeper—problems of major disequilibria in the budget as a result of the rapidly aggravating deficit, together with this huge deficit in the current account. The U.S. is relying more and more on external sources of financing. There is also the problem of low level of domestic savings, problems with the currency.

What this will cause in the near future, in combination with the war, is difficult to predict. But what I am trying to say is that perhaps the Americans might yet arrive to a point when they will lose the current feeling of omnipresence, which is at the root of the disengagement from multilateral solutions. If Americans discover that they are mortal—in the same way globalization did—they will perhaps have second thoughts.

YB: They could also use protectionism, nationalism, and so on.

RR: I do believe that when they discover that they are not self-sufficient, they will better appreciate the role of multilateral institutions. Right now, I think it is difficult, and it is a pity because these institutions were the creation of American and American ideals. What is more tragic is exactly this—the U.S., far from being a stranger to all that, was the source, the cradle of all those institutions.

YB: Boutros-Ghali, when he came here a few weeks ago, said that indeed he did not expect anything from reforms: “I don't believe in reforms.” He does not believe either in

destroying the UN and creating something else which would be the UN, as long as it would be an intergovernmental organization. What he believes in is that the NGOs of civil societies play a greater and greater role in either challenging their own governments and obliging them to negotiate internationally things they don't want to negotiate, or participating more in the UN debate.

RR: This is very much true. I have always been a strong advocate of the role of organized civil society. With the internet, civil society has a good instrument to coordinate its action. The two major *idées force*, the two major contributions of the second half of the twentieth century to human progress—that is, human rights and environment—were much more the result of pressure from organized civil society than from the states themselves. I think it is a very positive force. Another interesting aspect of civil society—civil society in general, not only the NGOs, also the churches, et cetera—is that it is a force for change, whereas the states, governments, have a natural tendency to be in favor of the status quo. It is like inside countries, there is always what used to be called in France *le parti du mouvement*—that is, civil society in general is the party of movement, whereas governments tended to keep things as they are. It is a good combination to have this sort of dialectics between movement and progress.

YB: Good work. Thank you very much for that.

RR: Thank you.

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