

**COMMUNIQUE TO THE MINISTERS OF FOREIGN AFFAIRS
FROM THE ACADEMIC ROUNDTABLE
SPECIAL SUMMIT OF THE AMERICAS
MONTERREY, MEXICO**

JANUARY 11, 2004

I am very pleased to present the following comments on behalf of the Academic Roundtable, chaired by the distinguished economist Dr. Sylvia Ostry, which met in Monterrey on January 10, 2004. The Roundtable included some 35 academics from several countries in the Americas and the participants in the Monterrey conference, the Future of the Americas. What follows represents a general consensus among the participants.

The Roundtable participants recognize the importance of addressing the challenges of governance, the promotion of democratic institutions, confronting corruption, addressing the challenges of security, and strengthening the capacity of the people of the Americas to play a meaningful role in the political and economic life of their countries. We also recognize the importance of continuing to pursue the goals of trade and investment liberalization in the hemisphere.

At the same time, we are concerned that the goal of hemispheric integration must go well beyond issues associated with trade. Integration is a means to enhance the wellbeing of the peoples of the Americas. Social cohesion is an essential precondition for democracy and economic prosperity. The elimination of severe poverty and the reduction of the levels of economic inequality must be a primary goal of hemispheric leaders, and such a challenge is the responsibility of both individual nations as well as hemispheric institutions.

We envision a future in which the Americas are more fully integrated in a common project of prosperity and democracy. A key barrier to that integration in our view is the severe inequality of income, wealth, power and opportunity which prevails not only between but within the nations of the Americas, between the wealthy elites in many nations and the majority of their citizens.

Integration to be meaningful must go beyond trade, as much as trade and investment are critical vehicles to achieve our broader goals. It is suggested that there should be a more careful examination of the mechanisms by which Europe has sought to meet the challenges associated with integrating more developed with less developed economies, including financial transfers and labour mobility. What is needed is an agreement on trade which draws the hemisphere together rather than divides it. A trade agreement under which bilateral preferential agreements proliferate, and which creates a structure under which one country serves as the hub with multiple regional and bilateral spokes, is the antithesis of what is needed to integrate the hemisphere. It is also vitally important that the leaders of the hemisphere address the persistent challenge which protectionist non-tariff barriers pose to

trade liberalization, one of the most critical of which remains the subsidization of agricultural production.

We draw attention to the substantial financial transfers which are part of the European approach to integration under the Structural Cohesion program, which provides for infrastructure investment, in contrast to the extremely limited funding associated with the Hemispheric Cooperation Program in the Americas.

At the same time, effective integration also requires the nations of the hemisphere to meet agreed upon standards. Among those standards which must be met we stress the importance of fiscal discipline, on the basis of fair expenditure and tax systems. Without major fiscal reforms many of the nations of the hemisphere will not be able to provide for counter-cyclical fiscal and monetary policy. Such reforms in the fiscal regimes are essential if nations are to meet the challenges in such areas as education and training, health care, poverty alleviation or elimination, the protection of property and legal rights, or the promotion of the small and medium size enterprises which are essential for the expansion of the employment base.

The focus of this Special Summit of the Americas is on the themes of economic growth, social development and democratic governance. We submit that growth must be achieved with equity, that social cohesion is the essential prerequisite for all democratic societies, that with poverty and inequality come conflict rather than cohesion, and such conflict serves only to undermine the essential values of the democratic societies which we seek to nurture in this hemisphere.

Academic Roundtable Conference

Monterrey, Nuevo Leon

January 10, 2004

Sponsored by the Government of Nuevo León, the Latin American Research Centre at the University of Calgary, Canada; the Centre d'études Interaméricaines at the Université Laval, Canada; and Encana.

This event was held in conjunction with the conference Futuro de las Américas.

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