

TWENTY-NINTH SESSION
BRASILIA, BRAZIL
6-10 MAY 2002

Globalization and development



NACIONES UNIDAS
UNITED NATIONS



Distr.
GENERAL
LC/G.2157(SES.29/3)
15 April 2002
ENGLISH
ORIGINAL: SPANISH

The preparation of this document was coordinated by José Antonio Ocampo, Executive Secretary of ECLAC, with the collaboration of Juan Martín, former Director of the ECLAC Office in Argentina; Reynaldo Bajraj, Deputy Executive Secretary; Alicia Bárcena, Director of the Sustainable Development and Human Settlements Division; Barbara Stallings, Director of the Economic Development Division; Vivianne Ventura-Dias, Director of the Division of International Trade and Integration; Eugenio Lahera, Consultant; and María Elisa Bernal, Special Assistant to the Secretary of the Commission. Jean Acquatella, Oscar Altimir, Mario Cimolli, Ricardo Ffrench-Davis, Len Ishmael, Luis Felipe Jiménez, Jorge Katz, Manuel Marfán, Jorge Martínez, Juan Carlos Ramírez, Daniel Titelman, Andras Uthoff and Miguel Villa were involved in writing the individual chapters. The following persons participated in the formulation and discussion of their contents: María José Acosta, Hugo Altomonte, José Pablo Arellano, Irma Arriagada, Carmen Artigas, Renato Baumann, Rudolf Buitelaar, Inés Bustillo, Alvaro Calderón, Beverley Carlson, Jessica Cuadros, Carlos De Miguel, Martine Dirven, Hernán Dopazo, José Elías Durán, Hubert Escaith, Ernesto Espíndola, Felipe Ferreira, Juan Carlos Feres, Gilberto Gallopín, Francisco Gatto, Christian Ghymers, José Javier Gómez, Rebeca Grynspan, Johannes Heirman, Michael Hendrickson, Isabel Hernández, Martín Hilbert, Andre Hofman, Martín Hopenhagen, Ricardo Jordan, Mikio Kuwayama, Arturo León, Juan Carlos Lerda, Carla Macario, Helen McBain, Ricardo Martner, Jorge Mattar, José Carlos Silva Mattos, Graciela Moguillansky, Sonia Montaña, César Morales, Juan Carlos Moreno Brid, Michael Mortimore, Guillermo Mundt, Georgina Nuñez, María Angela Parra, Wilson Peres, Esteban Pérez, Marianne Schaper, Iván Silva, Verónica Silva, Ana Sojo, Andrés Solimano, Rogerio Studart, Giovanni Stumpo, Raquel Szalachman, Trudy Teelucksingh, Ian Thomson, Helvia Velloso, Jürgen Weller and Ricardo Zapata. Armando Di Fillipo, Edmund V. FitzGerald, Wolf Grabendorf, Stephany Griffith-Jones, Gabriel Palma and Santiago Perry served as consultants.

Explanatory notes

The following symbols have been used in this Study:

Three dots (...) indicate that data are not available or are not separately reported.

A minus sign (-) indicates a deficit or decrease, unless otherwise indicated.

A full stop (.) is used to indicate decimals.

Use of a hyphen between years, e.g., 1960-1970, signifies an annual average for the calendar years involved, including the beginning and the end years.

The word “dollars” refers to United States dollars, unless otherwise specified.

Figures and percentages in tables may not necessarily add up to the corresponding totals, because of rounding.



Contents

Introduction.....	13
Part I: Global outlook.....	15
Chapter 1	
Globalization: a historical and multidimensional perspective	17
I. The globalization process.....	18
II. Non-economic dimensions.....	21
1. Ethical and cultural dimensions.....	21
2. The political dimension	23
III. Opportunities and risks	24
Chapter 2	
The economic dimensions of globalization	29
I. International trade and investment	30
1. International trade and economic growth: a variable historical relationship.....	30
2. The emergence of internationally integrated production systems	39
3. Outstanding challenges posed by the relationship between trade and economic growth	46
4. Development of the institutional framework for international trade	50
II. International finance and the macroeconomic regime	52
1. Historic transformations in the international financial system.....	52
2. Changes and recent episodes of volatility in financial markets	57
3. Capital flows to developing countries	62
III. International migration.....	70

Chapter 3	
Inequalities and asymmetries in the global order	75
I. Inequalities in global income distribution	76
1. Long-term disparities between regions and countries	76
2. Overall effect of international and national inequality	80
II. Basic asymmetries in the global order	85
1. Three asymmetries in the international structure	85
2. The rise and fall of the concept of international development cooperation	91
Chapter 4	
An agenda for the global era	95
I. Fundamental principles for the construction of a better global order	96
1. Three key objectives: supply global public goods, correct international asymmetries and firmly establish a rights-based global social agenda	96
2. Global rules and institutions that respect diversity	98
3. Complementarity of global, regional and national institution-building	99
4. Equitable participation and appropriate governance	100
II. National strategies for dealing with globalization	102
1. The role and basic components of national strategies	102
2. Macroeconomic strategy	102
3. Building systemic competitiveness	104
4. Environmental sustainability	106
5. Social strategies in an era of globalization	108
III. The key role of action at the regional level	110
IV. The global agenda	113
1. Provision of global macroeconomic public goods	114
2. Sustainable development as a global public good	115
3. The correction of financial and macroeconomic asymmetries	117
4. Overcoming production and technological asymmetries	119
5. Full inclusion of migration on the international agenda	123
6. Economic, social and cultural rights: the foundations for global citizenship	125
Part II: Regional outlook	127
Chapter 5	129
External vulnerability and macroeconomic policy	129
I. Composition of external financing and vulnerability	130
1. Anatomy of capital flows in the 1990s	130
2. External financing and the business cycle	135
II. Globalization and real macroeconomic instability	141
1. Procyclical behaviour linked to the financial accelerator	141
2. The procyclical behaviour of public finances	144
3. Weak investment process and inadequate financial development	148
III. The domestic domain: tackling the globalization of financial volatility through countercyclical macroeconomic policies	150
1. Prudential management of cyclical upswings: fiscal, monetary and regulatory aspects	151
2. The exchange-rate regime	153
3. “Self-insurance” mechanisms	154
4. Prudential regulation and supervision of financial systems	154
5. Domestic financial development	155

IV.	The international domain: strengthening the governance of financial globalization	157
1.	Creation of an institutional framework promoting financial stability	158
2.	Emergency financing	159
3.	The solution to problems of overborrowing.....	160
4.	The role of multilateral development banks.....	162
5.	The role of regional institutions	163

Chapter 6

The integration of Latin America and the Caribbean in global trade and production circuits.....

		167
I.	Trade specialization in Latin America and the Caribbean.....	168
1.	General trends	168
2.	The composition of trade in goods.....	175
3.	Trade in services	178
II.	Foreign direct investment flows to Latin America and the Caribbean	180
III.	Integration processes in the region	187
1.	Subregional integration schemes and intraregional free trade agreements	187
2.	Other integration arrangements.....	190
IV.	The Latin American and Caribbean agenda for trade and investment.....	191
1.	The national agenda: export promotion policies	191
2.	The national agenda: policies on linkages and clusters.....	194
3.	The regional agenda.....	196
4.	The international agenda	198

Chapter 7

Strengthening innovation systems and technological development.....

I.	Innovation systems and technological development.....	204
II.	The evolution of innovation systems	205
1.	Innovation systems in the State-led industrialization phase.....	205
2.	Changes in innovation systems brought about by external openness and globalization.....	207
3.	Science and technology expenditure	210
III.	Information and communications technologies (ICTs)	212
1.	The nature of changes generated by ICTs.....	212
2.	The progress of connectivity in the region.....	214
IV.	Intellectual property rights.....	218
1.	Standardization of intellectual property regulations	218
2.	Latin American patent activity	221
V.	Policies to facilitate changes in production and technological patterns.....	221
1.	Reinforcing innovation systems: active strategies and policies	223
2.	Policies to speed up progress in ICTs	224
3.	Policies on intellectual property rights.....	226

Chapter 8

International migration and globalization.....

I.	The interactive nature of migration and globalization.....	231
1.	Factors which promote mobility and heterogeneity.....	231
2.	Migrant culture and the formation of transnational communities.....	233
3.	Persistence of barriers and institutional difficulties which restrict mobility.....	234
4.	Global forces and the future of migration	235

II.	International migration patterns of the Latin American and Caribbean population	236
1.	Emigration to the United States.....	237
2.	Emigration to other destinations.....	242
3.	Intraregional migration.....	243
III.	Potential and problems of migration	246
1.	Remittances	246
2.	Lack of protection and vulnerability of migrants	249
3.	Citizenship and human rights	251
IV.	Proposals for a regional agenda on international migration	253
1.	Governance of international migration.....	253
2.	Links with emigrants	256
3.	Measures to prevent the risks associated with migration	257

Chapter 9

	Globalization and environmental sustainability.....	259
I.	The impact of productive restructuring on sustainable development	260
II.	Changes in the production structure and their effects on environmental sustainability	262
III.	Economic globalization and the environment.....	266
1.	The environmental impact of exports and foreign direct investment	266
2.	Changes in the international economic context and the environment.....	271
IV.	The environmental repercussions of productive and technological restructuring in the energy sector	272
1.	Energy intensity.....	272
2.	CO ₂ emissions	275
3.	The Latin American and Caribbean energy sector and global climate change.....	277
V.	Changes in the region's vulnerability	279
VI.	Changes in national and regional environmental management institutions and governance	281
1.	Institution-building.....	281
2.	Challenges for the future	282
3.	Changes in environmental financing.....	283
VII.	Changes in international environmental governance	283
VIII.	An agenda for action.....	286
1.	Consolidating national environmental management mechanisms and strengthening institutional capacity to cope with the trends observed	286
2.	Developing institutional capacity and mechanisms to reduce the region's vulnerability to natural disasters.....	286
3.	Developing institutional capacity and mechanisms for the sustainable management of natural and energy resources	287
4.	Innovative ways to finance the attainment of sustainable development goals	287
5.	Consolidating international markets for global environmental services and building regional capacity to participate actively in them.....	288
6.	Increasing the absorption of cleaner production technologies through existing foreign investment and trade links and domestic investment in research and development	289
7.	Strengthening political commitment to sustainable development goals among all social actors nationally, regionally and globally	289

Chapter 10		
Globalization and social development		291
I	Educational deficits and gaps in the region	291
1.	Progress in terms of coverage	292
2.	Quality deficits	299
3.	Education, employment and income	302
II.	Globalization and employment	307
1.	Dynamics of the production and employment structure	308
2.	Globalization and greater labour flexibility and precariousness	315
III.	Social protection	317
1.	Social insurance and protection: dealing with risk and volatility	317
2.	Social safety nets, employment and poverty	319
IV.	The social agenda	321
1.	Closing educational gaps	321
2.	The main challenges in employment	324
3.	Education, training and employment (employability)	326
4.	Social protection systems	326
5.	Social protection and employment	328
6.	Social agenda for regional integration and cooperation	328
Chapter 11		
The effects of globalization on CARICOM Caribbean economies		331
I.	Caribbean integration as a positive response to globalization	332
II.	The process of structural change under globalization	336
III.	Capital flows	342
IV.	Labour issues and migration	346
V.	Globalization and macroeconomic policy and performance	349
VI.	Sustainable development issues	352
Bibliography		355
Tables		
Table 2.1	Global exports, by origin	31
Table 2.2	Structure of world imports, by origin and destination, 1985 and 2000	33
Table 2.3	Dynamic and stagnant products in world imports, 1985-2000	37
Table 2.4	Export structure by competitive position	40
Table 2.5	Foreign direct investment	44
Table 2.6	FDI inflows	44
Table 2.7	Geographical concentration of foreign subsidiaries in selected manufacturing industries, by technology-intensiveness, 1999	45
Table 2.8	GDP growth: world and largest regions, 1820-1998	51
Table 2.9	Financial holdings by institutional investors selected OECD countries	58
Table 2.10	Net resource flows: 1973-1999	64
Table 2.11	Net resource flows, 1990-1999	67
Table 2.12	Organisation for Economic Co-operation and Development: the 10 main countries of destination of immigrants	71
Table 2.13	Organisation for Economic Co-operation and Development: nations of origin of immigrants to the main recipient countries, 1999	72
Table 3.1	Patterns of interregional disparities	76

Table 3.2	Indices of per capita income inequality in the world	78
Table 3.3	Standard deviation of per capita GDP growth.....	79
Table 3.4	World trend in income inequality, 1975-1995	82
Table 3.5	International asymmetries: share of the developing countries in the world economy	88
Table 5.1	Latin America and the Caribbean: sources of external financing, 1990-2000	132
Table 5.2	Latin America and the Caribbean: net private resource flows, 1990-1999	134
Table 5.3	Latin America and the Caribbean: long-term external financing by groups of countries, 1990-1999	135
Table 5.4	Latin America and the Caribbean: trend of balance of payments, 1990-2001	139
Table 5.5	Indicators of external vulnerability among developing countries, 1990-2000	140
Table 5.6	Latin America and the Caribbean: exchange rate regimes, 2002	144
Table 6.1	Growth in trade in goods and services in Latin America, 1990-2001	170
Table 6.2	Latin America and the Caribbean: changes in market shares and relative specialization index for high-demand products.....	173
Table 6.3	Selected countries: export structure by category of technological intensity 1985 and 2000	176
Table 6.4	Volume and composition of exports of services, 2000	179
Table 6.5	Latin America and the Caribbean: foreign direct investment inflows, 1990-2001.....	180
Table 6.6	Latin America and the Caribbean: strategies of transnational corporations in the 1990s	183
Table 6.7	Latin America (10 countries): share of total sales in each sector of the 1,000 largest firms, by type of ownership (1990-1992; 1994-1996; 1998-2000)	185
Table 6.8	The twenty largest export companies in Latin America, 2000.....	186
Table 6.9	Latin America and the Caribbean: exports by destination and level of technology, 2000.....	189
Table 7.1	Latin America: expenditure on research and development, by funding sector, 1999	211
Table 7.2	Latin America and the Caribbean: number of researchers per 1,000 members of economically active population.....	212
Table 7.3	Connectivity levels and gaps, 1995-2000.....	215
Table 7.4	Latin America and the Caribbean: level of connectivity in 2000 and trend between 1995 and 2000, compared to world pattern.....	217
Table 7.5	United States: patents obtained, by country	219
Table 7.6	WIPO: plant patent applications and awards.....	222
Table 8.1	United States: distribution of the economically active population, both native-born and born in Latin America and the Caribbean, by branches of activity. Data taken from the 1990 census	239
Table 8.2	United States: total number of immigrants admitted, and total coming from Latin America and the Caribbean, 1971-1998.....	240
Table 8.3	United States: immigrants admitted from selected countries of Latin America and the Caribbean, 1971-1998	241
Table 8.4	United States: immigrants admitted from Latin America and the Caribbean, by subregion of origin and admission class, 1998	241
Table 8.5	Latin American and Caribbean immigrants in Europe and in other countries for which information is available, around the year 2000	242
Table 8.6	Latin America: number of persons born abroad, by region of origin and country where present, around 1990.....	244

Table 8.7	Caribbean: number of persons born abroad, by region of origin and country where present, around 1990	245
Table 8.8	Latin America and the Caribbean: main countries receiving remittances, 1990 and 2000.....	247
Table 9.1	Latin America and the Caribbean: selected environmental indicators.....	265
Table 9.2	Average annual growth in environmentally sensitive export volumes, by destination	268
Table 9.3	Revealed comparative advantage (RCA) indices for the group of environmentally sensitive industries	269
Table 9.4	Firms investing in their production processes for environmental reasons, 1996.....	270
Table 9.5	Indicators of energy consumption and energy intensity in Latin America and the Caribbean	273
Table 10.1	Latin America and the Caribbean (17 countries): school enrolment by age group and sex, and by age group and family income, 1990 and 1999.....	293
Table 10.2	Enrolment in secondary and higher education, 1985 to 1997	297
Table 10.3	School life expectancy in selected countries, 1980, 1990 and 1995	298
Table 10.4	Latin America and the Caribbean (17 countries): social public expenditure on education	299
Table 10.5	Relative position of Ibero-American countries in international studies of education quality.....	301
Table 10.6	Latin America and the Caribbean (17 countries): average number of years of schooling of economically active population (EAP), by age group and employment status, 1990 and 1999.....	303
Table 10.7	Latin America (17 countries): output trends in the 1990s.....	309
Table 10.8	Latin America (16 countries): trend of total and wage employment, 1990-1999	311
Table 10.9	Latin America and the Caribbean: indicators of employment trends in the 1990s	313
Table 10.10	Latin America (16 countries): trend of wage differentials in the 1990s	314
Table 10.11	Latin America (12 countries): wage-earners with no employment contract and without social security in urban areas	316
Table 10.12	Latin America (7 countries): incidence of non-permanent wage-earning work in urban areas	317
Table 10.13	Poverty in households headed by 25-64-year-olds, by employment status	320
Table 11.1	CARICOM: exports and market share, 1985-1999.....	335
Table 11.2	CARICOM: distribution of intraregional import market share, by member country, selected years between 1985 and 1999	335
Table 11.3	Sectoral share of output, 1990 and 2000.....	337
Table 11.4	Tourist arrivals and receipts in selected Caribbean countries, 1980-1998.....	340
Table 11.5	Net inflows of foreign direct investment, 1990-1999	343
Table 11.6	Growth of manufacturing employment, 1992-1997.....	347
Table 11.7	Caribbean countries: growth in real GDP, 1991-2000.....	350

Boxes

Box 1.1	Inclusion and identity: The issue of ethnicity	23
Box 2.1	The long-term deterioration of raw material prices	38
Box 2.2	United States interest rates and emerging market bond spreads	65
Box 4.1	Economic links between Puerto Rico and the United States mainland.....	121
Box 5.1	Three crises in less than a decade	136

Box 8.1	Changes in the mobility of persons in one area of MERCOSUR	246
Box 8.2	Government programmes in Mexico in support of collective remittances	248
Box 8.3	United States: estimates of the number of persons without official documents.....	250
Box 8.4	The international convention on the protection of the rights of all migrant workers and members of their families	252
Box 11.1	Macroeconomic convergence in CARICOM	333
Box 11.2	The new technologies in the Caribbean.....	341

Figures

Figure 1.1	Ratification of human rights convention	22
Figure 2.1	Trade and global output, 1870-1998	30
Figure 2.2	Exports from Latin America.....	34
Figure 2.3	Export growth and GDP growth by country.....	35
Figure 2.4	Trade and GDP in Latin America, 1870-1998	47
Figure 2.5	De-industrialisation, foreign trade, employment and income	49
Figure 2.6	International monetary fund: total credits and outstanding loans, 1950-2001	56
Figure 2.7	Financial derivatives traded on organized markets	59
Figure 2.8	Spreads in emerging markets	61
Figure 2.9	Net flows to developing countries.....	62
Figure 2.10	Credits of international financial institutions	68
Figure 2.11	External debt	69
Figure 3.1	Weighted international inequality, 1950-1998	81
Figure 3.2	Global income inequality, 1820-1992	81
Figure 3.3	Inequality and wealth	84
Figure 3.4	Instability of economic growth.....	88
Figure 5.1	Patterns of growth, trade deficit and net resource transfer	131
Figure 5.2a	Latin America and the Caribbean: international bond issuance	133
Figure 5.2b	Latin America and the Caribbean: conditions of international bond issues	133
Figure 5.3	Procyclical movements in economic activity and net resource transfer.....	137
Figure 5.4a	Trend of global emerging markets bond index (EMBI).....	138
Figure 5.4b	Eurobond spreads	138
Figure 5.5	Net resource transfer and appreciation of currency and financial assets.....	142
Figure 5.6	Latin America (19 countries): central government accounts.....	145
Figure 5.7	Latin America: central government tax burden, 1990-2000.....	146
Figure 5.8	Latin America: episodes of procyclical policies, 1990-2000	147
Figure 5.9	Difference between rate of growth of GDP and real interest rate paid on public debt	148
Figure 5.10	Latin America and the Caribbean: volatility of net resource transfer and investment/GDP ratio	149
Figure 6.1	Latin America and the Caribbean: trade and gross domestic product, 1985-2001.....	169
Figure 6.2a	Average annual growth rate of real GDP and exports between 1970-1980 and 1990-2000	171
Figure 6.2b	Variation in GDP growth rate and import elasticity (built-in) between 1970-1980 and 1990-2000	171
Figure 6.3	Latin America and the Caribbean: destination of exports, 1990 and 2000	174
Figure 6.4	FDI flows to Latin America and the Caribbean, by country of origin, 1990-2000.....	181

Figure 6.5	LAIA countries: sectoral distribution of foreign direct investment, 1981-2000	182
Figure 7.1	World investment in research and development, 1996-1997	210
Figure 7.2	Latin America and the Caribbean: expenditure on science and technology as a percentage of GDP	211
Figure 7.3	Connectivity and GDP in the world, 1995-2000.....	216
Figure 7.4	United States: number of patents obtained, by main sectors of activity	220
Figure 8.1	United States: percentage of professionals in the labour force, by origin, 1997	238
Figure 8.2	United States: percentage of population aged 25 or more with at least full high school education, by origin, 2000	240
Figure 9.1	Expansion of the agricultural frontier, 1961-1999	262
Figure 9.2	Trends in selected natural resource sectors in Latin America and the Caribbean	263
Figure 9.3	MERCOSUR: export volumes of environmentally sensitive industries, by destination market	267
Figure 9.4	Andean Community: export volumes of environmentally sensitive industries, by destination market.....	268
Figure 9.5	Energy intensity in Latin America, 1970-2000.....	273
Figure 9.6	Energy intensity and per capita income in Latin America and the Caribbean, 1970-2000.....	274
Figure 9.7	Ratio of CO ₂ emissions to GDP in Latin America and the Caribbean.....	275
Figure 9.8	CO ₂ emissions, 1980-1999.....	276
Figure 9.9	CO ₂ emissions from power stations, 1970-2000	277
Figure 9.10	Emissions by world region, 1973-1999	277
Figure 9.11	Latin America and the Caribbean: effects of disasters caused by natural phenomena, 1998-2001	279
Figure 10.1	Median and 75th percentile score in standardized tests applied to 4th grade students in public and private schools.....	300
Figure 10.2	Average years of schooling of total economically active population (EAP), by age groups, 1999	307
Figure 10.3	Latin America (17 countries): urban unemployment rates by period, 1991-1994, 1995-1996, 1997-1998 and 1999-2000.....	312
Figure 11.1	United States apparel imports from selected Caribbean countries.....	339
Figure 11.2	Capital flows to the Caribbean, 1990-1999.....	343
Figure 11.3	International bond issues and bank lending	344
Figure 11.4	FDI as a percentage of gross domestic fixed capital formation for the Caribbean, 1990-1999	345
Figure 11.5	Employment and labour force growth.....	346
Figure 11.6	Average inflation rates for selected Caribbean countries, 1981-2000	351
Figure 11.7	Carbon dioxide emissions (CO ₂) for selected Caribbean economies.....	354



Introduction

The process that has come to be known as globalization —i.e., the progressively greater influence being exerted by worldwide economic, social and cultural processes over national or regional ones— is clearly leaving its mark on the world of today. This is not a new process. Its historical roots run deep. Yet the dramatic changes in terms of space and time being brought about by the communications and information revolution represent a qualitative break with the past. In the light of these changes, the countries of the region have requested the secretariat to focus the deliberations of the twenty-ninth session of ECLAC on the issue of globalization and development.

Globalization clearly opens up opportunities for development. We are all aware —and rightfully so— that national strategies should be designed to take advantage of the potential and meet the requirements associated with greater integration into the world economy. This process also, however, entails risks: risk generated by new sources of instability in trade flows and, especially, finance; the risk that countries unprepared for the formidable demands of competitiveness in today's world may be excluded from the process; and the risk of an exacerbation of the structural heterogeneity existing among social sectors and regions within countries whose linkages with the world economy are segmented and marginal in nature. Many of these risks are associated with two disturbing aspects of the globalization process. The first is the bias in the current form of market globalization created by the fact that the mobility of capital and the mobility of goods and services exist alongside

severe restrictions on the mobility of labour. This is reflected in the asymmetric, incomplete nature of the international agenda that accompanies the globalization process. This agenda does not, for example, include labour mobility. Nor does it include mechanisms for ensuring the global coherence of the central economies' macroeconomic policies, international standards for the appropriate taxation of capital, or agreements regarding the mobilization of resources to relieve the distributional tensions generated by globalization between and within countries.

These shortcomings are the reflection of an even more disturbing problem: the absence of a suitable form of governance in the contemporary world, not only in economic terms (as has become particularly evident in the financial sector) but in many other areas as well. This lack of governance can be attributed, in its turn, to the sharp divergence between global problems and political processes that continue to be pursued within national and, increasingly, local frameworks.

An important dimension of the globalization process—but certainly not one of the main focuses of attention in discussions on the subject—is the gradual spread of ideas and values with regard to civil and political rights, on the one hand, and economic, social and cultural rights, on the other. These ideas and values are gradually laying the foundations for the concept of global citizenship. No one entity embodies this aspect of the globalization process more fully than the United Nations. Under its founding Charter, ever since its inception the United Nations has reaffirmed global ideas and values regarding these rights. These ideas and values have subsequently been ratified by the Governments at a series of world summits.

The first part of this study analyses globalization from an integral standpoint. As part of an exploration of the multidimensional nature of globalization, chapter 1 places the current phase of this process within the historical context of the world economy's progressive internationalization and explores its social, political and cultural components. Chapter 2 reviews the economic facets of the globalization process, including trade and investment, finance and macroeconomic regimes, and international labour mobility. Trends in income inequality and the fundamental asymmetries of the global order are examined in chapter 3. The fourth and final chapter of part one contains a proposal for a positive agenda for Latin America and the Caribbean in the global era. Based on a number of essential principles—such as shared objectives; global institutions that respect diversity; the complementarity of global, regional and national institutions; and equitable participation in accordance with suitable rules of governance—it outlines the steps to be taken at the national, regional and global levels to achieve three priority objectives of the new international order: the provision of global public goods, the correction of international asymmetries and the pursuit of a rights-based social agenda.

The second part of the study focuses on specific issues: external vulnerability and macroeconomic policy (chapter 5), the integration of Latin America and the Caribbean in global trade and production circuits (chapter 6), strengthening innovation systems and technological development (chapter 7), international migration and globalization (chapter 8), globalization and environmental sustainability (chapter 9), globalization and social development (chapter 10) and the effects of globalization on the Caribbean economies (chapter 11). Following a brief diagnosis of the main problems in each of these areas, recommendations are made in these chapters concerning a series of measures that can be taken at the national, regional and international levels in order to implement the proposals put forward in chapter 4.