

ALBA:

AN ALTERNATIVE VISION FOR HEMISPHERIC TRADE

THE DAWN OF A NEW ERA

In Spanish, the word *alba* means “dawn.” It is also the name of a bold plan for Latin American integration proposed by Venezuela in 2001 as an alternative to the U.S.-backed Free Trade Agreement of the Americas (FTAA). The Spanish acronym for the FTAA is ALCA. President Chávez called for an *ALBA*, the Bolivarian Alternative for the Americas. Venezuela, Bolivia, Nicaragua and Cuba are already members of this regional initiative, and social movements in the hemisphere are lending their support, as well.



THE IDEOLOGY BEHIND ALBA

ALBA is based on concerns that are central to the international relations aims of the Chávez government: Latin American Unity and the promotion of a Regional Social Agenda. The concept of Latin American Unity was pioneered by the 19th century independence leader Simón Bolívar, and subsequent Latin American leaders have repeated his call to build a political and economic union. In recent years, growing support for regional integration has led to the development of smaller economic alliances such as Mercosur. Venezuela's ALBA project, however, is that

which most closely matches historical and ongoing aspirations for progressive regional movements for economic, political and social integration. Venezuela has also emerged as a leader in developing a regional social agenda to address problems of poverty, hunger, disease and social exclusion that are rampant in the hemisphere. The Chávez administration is committed to helping neighboring countries cope with social crises stemming from failed economic policies imposed by international financial institutions like the International Monetary Fund (IMF) since the 1980s.

ALBA'S FOUNDING PRINCIPLES

Though President Chávez first called for the creation of ALBA in 2001, the project began in earnest in December 2004, when Chavez met with Cuban President Fidel Castro to sign a Join Agreement on ALBA.ⁱ Among its main points are the following:

- A rejection of the neoliberal policies of economic liberalization and fiscal austerity promoted by the IMF and other international lending institutions in the region since the early 1980s.ⁱⁱ
- ALBA members support the sovereign efforts of each to play a central role in bolstering their nations' economies and providing basic public services for their populations.
- A rejection of U.S.-backed free trade agreements in Latin America, which consistently prioritize U.S. corporate interests, undermine state involvement

in developing and diversifying national economies, devastate fragile sectors such as small farming, and have dire environmental consequences.ⁱⁱⁱ

- ALBA member states will be guided by the principles of solidarity and regional integration in trade relations, and will adopt special and differential treatment for weaker, less-developed countries in order to correct profound asymmetries that exist in the region.
- Finally, the concrete steps identified as essential to consolidating ALBA are: energy cooperation as a pillar of integration, infrastructure projects, and the creation of a regional development bank.

BOLIVIA & NICARAGUA JOIN ALBA

The political panorama in Latin America has been evolving quickly in recent years, with progressive social leaders becoming elected to the highest levels of government. As a result, two new governments have agreed to become members of ALBA in the last year and a half, and many political movements have expressed interest in the ALBA agenda.

Nicaragua signed onto ALBA on January 10th, 2007, the day Daniel Ortega was inaugurated as President. Bolivia became a member of ALBA in June 2006, shortly after Evo Morales was elected president. Bolivia introduced the Peoples' Trade Treaty, which counters the negative effects of free trade agreements by setting preferential trading terms for traditional exports often put at risk by these FTAs.^{iv}



ALBA AGREEMENTS

Since ALBA's official start in December 2004, Venezuela has signed 15 agreements with 18 different countries in Latin America and the Caribbean. These agreements have extended trade relations between Venezuela and the signatories in accordance with the principles set forth in the 2004 Joint Agreement.

Energy: Petrocaribe is an agreement signed on June 29th, 2005 to help reduce social inequalities and raise the standard of living in Latin America through cooperation in oil and gas provision.^v Specifically, Petrocaribe seeks to ease the energy burden on the Caribbean by providing countries with direct access to oil at market prices and made affordable to all through the use of beneficial financing terms.

Health and Education: Venezuela and Cuba are working together to provide literacy and healthcare programs to other countries in the region. For example, *Mission Robinson* is a literacy program that has taught millions of Venezuelans new skills and was extended to Bolivia in 2006.^{vi} *Barrio Adentro* provides free basic medical care, while *Mission Miracle* has provided free care to individuals from over a dozen countries including the United States. A Latin American School of Medicine founded in Venezuela in April 2007 has thus far trained 2,000 doctors to provide basic health services to patients in poor communities in the region.^{vii}

ALBA INITIATIVES

The 5th ALBA Summit was held in Caracas in April 2007, and brought together leaders from the member countries – Presidents Chávez, Morales (Bolivia), Ortega (Nicaragua) and Vice President Lage (Cuba) – to discuss mechanisms to strengthen ALBA.^{viii}

Grand-National Companies: Initiatives discussed at the ALBA summit included a plan for the creation of 12 public companies that would be co-managed by ALBA member states, and whose activities would be focused

around strengthening key sectors of national economies. This is slated to help diminish the asymmetries that exist within this group of countries in industries including agriculture, infrastructure, telecommunications, industrial supplies, and cement production. A Grand-National Energy Company, will encompass activities linked to the production, refining, storage, transportation and distribution of oil and gas, as well as the development of alternative energies throughout the region.

The ALBA Bank: In order to finance these initiatives, the foreign ministers agreed in June of 2007 to create an ALBA Bank, and, in order to better coordinate projects, they agreed to create a Permanent Secretariat for ALBA. Other initiatives that are being planned within the Grand-National framework include the creation of ALBA Cultural Centers (*or Casas del ALBA*) in the capital cities of ALBA countries as well as in Ecuador and Haiti, a chain of ALBA markets featuring goods from the member countries, and training programs for future social workers.

ALBA & SOCIAL MOVEMENTS

During the 5th Summit of ALBA, a group of representatives of some of the hemisphere's important social movements met to develop a common position on ALBA and present it to the four member governments. Leaders of major peasant organizations, indigenous and Afro-descendant movements, social justice organizations, women's organizations, labor organizations, youth movements, and anti-free trade groups formulated an additional set of principles that they called on ALBA governments to defend. These include: the fight against social exclusion, the defense of social, economic, cultural and labor rights, the defense of food sovereignty, women's rights, and recognition of the plurality of cultures that exist among Latin American and Caribbean peoples. The leaders agreed to share their knowledge of ALBA principles with others in their movements, and to organize educative meetings and seminars at the national level in their respective countries.^{ix}

This demonstration of solidarity on the part of diverse organizations like the two-million strong Brazilian Landless Workers Movement, the international small farmer organization *Vía Campesina*, as well as important social justice movements like Jubilee South, Hemispheric Social Alliance, and major national labor federations shows the extent of grassroots support for ALBA throughout the hemisphere. Many of these organizations play key political roles in their respective countries, or are destined to play important political roles in the future, as progressive movements gradually take on more positions of national leadership.

ⁱ The full text of the declaration is available in Spanish: <http://www.cuba.cu/gobierno/discursos/2004/esp/d141204e.html>

ⁱⁱ See "The Scorecard on Development: 25 years of Diminished Progress," Center for Economic and Policy Research, September 2005.

http://www.cepr.net/documents/publications/development_2005_09.pdf

ⁱⁱⁱ For more on the economic, social, and environmental consequences of NAFTA, see

<http://www.citizen.org/trade/nafta/>

^{iv} See an interview with Bolivia's trade representative:

<http://www.adital.com.br/site/noticia.asp?lang=ES&cod=22331>

^v The full text of the ALBA – Petrocaribe Agreement:

<http://www.alternativabolivariana.org/modules.php?name=Content&pa=showpage&pid=232>

^{vi} "ALBA to teach Millions More to Read," *Prensa Latina*, July 18, 2007.

<http://www.plenglish.com/article.asp?ID=%7B258227EE-FB77-44AC-8817-934E8EF35BE3%7D&language=EN>

^{vii} Venezuela's ELAM has a web page with detailed information regarding the school and the Program for Integral Community Medicine: <http://www.elam.edu.ve/>

^{viii} Agreements signed during the 5th Summit of ALBA are on the website of Venezuela's foreign ministry:

<http://www.mre.gob.ve/Noticias/A2007/cumbre%20Alba/Documentos.htm>

^{ix} Declaración del Encuentro de los Movimientos Sociales en el marco de la V Cumbre del ALBA-TCP: <http://www.visionesalternativas.com/article.asp?ID=%7B80321780-A700-486E-B721-E8F5493788E6%7D&language=ES>