

# The Bolivarian Chavez effect: Worth a second look

## THE BOLIVARIAN VISION: HISTORY AND MAIN PRINCIPLES

The Bolivarian Alliance for the Peoples of Our America (ALBA, the Spanish acronym) was announced in December 2001 at the Third Presidential Summit of the Association of Caribbean States (ACS). Cuba and Venezuela signed the constitutional agreement in December 2004, and since then Bolivia, Nicaragua, Dominica, Saint Vincent and the Grenadines, Ecuador, and Antigua and Barbuda have joined. Honduras was a member briefly from 2008 until January 2010, when the government elected after the 2009 coup withdrew from ALBA.

ALBA built on the widespread resistance within civil society to the Free Trade Area of the Americas that swept the continent through the 1990s. As leader of ALBA, President Hugo Chavez holds that Latin America should “stop serving imperialism and national oligarchies.” In contrast, ALBA supports self-determination and opposes the economic policies promoted by the United States and international organizations such as the World Bank and the International Monetary Fund. It stands as the antithesis of the Washington Consensus. ALBA draws its main steam from the high social costs of economic reforms. Research from the Economic Commission for Latin America and the Caribbean (ECLAC) shows that over 180 million people are poor and 71 million of those live under extreme poverty. In addition, the poorest segment of the population possesses less than 5 percent of total wealth, while the richest segment possesses over 50 percent. This context generated an anti-corporate mood in a string of countries, which then elected left-leaning governments. ALBA uses regional cooperation to rebalance the relationship between the state and the market, upholding the motto “more state

BY JOSETTE ALTMANN

Joseette Altmann is the regional coordinator for international cooperation at the Latin American Faculty of Social Sciences (FLACSO) and director of the Latin American Regional Integration Observatory (OIRLA).

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and less market” in order to strengthen the state’s role as a producer of goods and services.

ALBA offers an alternative to the US-inspired free trade agreements based on three principles:

- Opposition to free market economic reforms
- Strengthening the regulatory role of the state
- Changing the balance in the state–market relationship

Despite its antagonism to the United States, membership in ALBA does not exclude participating in other initiatives. All ALBA countries are part of various integration processes. Moreover, no country has broken ties with the United States. For example, Nicaragua is still a part of the Dominican Republic–Central America Free Trade Agreement.

The overall impact of ALBA has been both positive and negative. One positive aspect is ALBA’s support of regional integration. It is always open to the

United Nations’ call to summits and has expressed great interest in the recently announced Community of Latin American and Caribbean States (CELAC, the Spanish acronym). The negative aspect is the proposal’s strong ideological stance. By promoting an ideological position, or “camp elections,” the initiative goes beyond dealing with approaches to cooperation, focusing on issues within the political agenda. Thus, it has had a polarizing effect on the region, contributing to its fragmentation.

## INSTITUTION-BUILDING STRATEGIES: TELESUR AND PETROCARIBE

Given its roots in the Hemispheric Social Alliance (HSA), ALBA created the Social Movements Council at its Ninth Summit, which took place on April 19, 2010 in Venezuela. At the Tenth Summit on June 25, 2010 in Ecuador, an initiative to hold dialogues with indigenous and Afro–Latin American authorities was launched.

ALBA has led to the creation of new institutions and mechanisms for regional cooperation. Two relevant creations are Telesur and Petrocaribe. Telesur is a television network that promotes the integration of Latin America and seeks to create ties based in the tenets of the Bolivarian Revolution. The news agenda is directed by a board of directors with the aid of an advisory council composed of leading Latin American intellectuals and activists, such as Nobel Prize-winning human rights activist Adolfo Perez Esquivel. The network carries no commercial advertising. Currently, Argentina, Bolivia, Cuba, Ecuador, Nicaragua, Uruguay, and Venezuela participate in the project.

Petrocaribe was founded in 2005 with the objective of contributing to energy security. It has become a model for energy cooperation based on principles

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of solidarity as well as special and differential treatment for smaller and weaker countries. Through Petrocaribe, Venezuela shares its oil riches with its allies by granting subsidized oil as well as long-term credit and low interest rates for oil purchases. Eighteen countries benefit from this initiative. By far, this is the most important mechanism used by ALBA.

## **BIG-VISION GRANNACIONAL PROJECTS: BANKING AND HEALTH DELIVERY SERVICES**

The *Grannacional* projects are intergovernmental initiatives to improve education, tourism, and the provision of medical services, much along the lines of the *Misiones* projects in Venezuela. In these areas, Cuban know-how has been put to good use and the projects have been very successful, teaching basic educational skills and providing primary health services to low-income populations. *Grannacional* companies aim to promote socialist multinationals controlled by ALBA states and geared to the production, sale, and distribution of goods. Major projects cover the areas of finance, education, infrastructure, science and technology, food, energy, environment, health, mining, fair trade, tourism, industry, culture, and communications.

The ALBA Bank was created in 2008 to encourage economic and social integration. It urges Latin Americans to deposit their reserves there in order to use Latin American funds to finance regional projects. Finally, the Single Regional Compensation System (SUCRE, the Spanish acronym) seeks to replace the use of the US dollar in trade among ALBA members.

## **THE BOLIVARIAN REVOLUTION: IDEALS IN PRACTICE**

ALBA has developed humanitarian projects as well. After the Haitian earthquake in early 2010, a strategic plan was put forward with medium- and long-term goals, such as the reactivation of agriculture and the construction of hospitals and drinking-water facilities.

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At the same time, ALBA has become a political and ideological alliance. It plays an important role in regional decision making, specifically through its veto power. Its power lies in *influencing* decisions, but not necessarily *making* them. The non-ratification of the final declaration of the Fifth Summit of the Americas in April 2009 illustrates this. ALBA members at the time (Venezuela, Cuba, Dominica, Honduras, Bolivia, Nicaragua, and Saint Vincent–Grenadines) refused to sign the final statement. Ecuador (not a member at the time) and Paraguay also opposed the declaration. These countries felt that the document was insufficient because it did not present adequate responses to the international financial crisis and because of the “unjustified exclusion” of Cuba. They demanded more discussion on certain issues, such as the limitations of capitalism, climate change, the energy and food crises, and the Cuban situation. For the first time in the history of these summits, the final statement was not ratified.

Venezuela’s financial arm has been hefty. The country allocated over US\$36.5 billion to the region over the ten-year period from 1999 to 2009. Cuba, Bolivia, Ecuador, and Nicaragua were among its greatest beneficiaries. (This information comes from the Venezuelan government, and has yet to be verified by an impartial entity.) Petrocaribe’s finances are also considerable. For example, between June 2005 and December 2007, the support granted to member countries reached US\$1.2 billion. According to the International Monetary Fund, in such countries as Guyana, Jamaica, and Nicaragua, financing from Petrocaribe represents 5 or 6 percent of the GDP. To put these figures in context, the Inter-American Development Bank

donated US\$100 million to Petrocaribe countries from 2005 to 2008.

## **A COMPLEX FUTURE: ALBA’S IMPACT IN THE REGION**

The Bolivarian geopolitical dynamic has changed in Latin America and the Caribbean. There is a new political map in the region with a variety of new leaderships that include indigenous movements, left-wing political parties, and populist movements. Latin America is not a priority on the US agenda. Vice-president Joe Biden’s visit to Costa Rica and Chile in March 2009 confirmed this view. He stated that the region should be patient in its demands because the United States was still confronting the effects of the international financial crisis. The “war on terror” has also consumed US efforts over the past decade.

However, President Barack Obama’s discourse at the Fifth Summit of the Americas caused great optimism in the region. Obama affirmed his wish to improve the atmosphere of inter-American relations, to restructure relations with Cuba, and to move quickly on US immigration reform. He distanced himself from traditional unilateral relations between the United States and Latin America, and supported strengthening multilateral coordination. Yet, a little over a year after the summit, few positive changes have actually been made.

Modest improvements have occurred in relation to Cuba, such as the elimination of some restrictions on family travel and remittances. The recent controversial immigration law in Arizona, the non-ratification of trade agreements with Colombia and Panama (two important allies in the region), the US response to the Honduran crisis, and the recent establishment of military bases in

Colombia have all created doubts about whether US policy has really changed with the Obama administration.

Most Latin American countries are looking to expand their relations with other countries, including China, Iran, India, and Russia. The Organization of American States (OAS) has lost some of its influence, especially now, owing to the recently announced Community of Latin American and Caribbean Nations in Mexico, which excludes the United States and Canada.

### **A SMALLER ROLE FOR UNCLE SAM**


The relative absence of the United States in the region, in addition to the few positive changes in its foreign policy, strengthens ALBA, especially Petrocaribe. Its deep pockets have become alternative sources of funding for many Central American and Caribbean countries. Venezuelan- and Cuban-promoted projects have provided alternatives for financing social issues such as education and health. Furthermore, the sharing of oil riches has alleviated balance-of-payment pressures in a time of high oil

prices. However, cooperation is highly dependent on Venezuela's fortunes.

In this scenario, the United States has sought to balance Hugo Chavez's position in the region by strengthening its association with Brazil. Still, this task has not been an easy one. Brazil has criticized the US-Colombian military agreement and the US position regarding Honduras. In addition, even though Brazilian President Lula da Silva has helped in moderating Hugo Chavez's belligerence toward the United States, it has not stopped Venezuela's influence and interventionism throughout South and Central America. Another sensitive issue for the United States is Iran's relationship to the region, mainly with Venezuela and Brazil. The latter's cooperative posture toward Tehran's nuclear program has raised great concern in the US government.

US reaction against Chavez's leadership is complex. While the right wing views Venezuela and Cuba as the nation's number one leading enemies, the truth of the matter is that the United States depends on Latin America and Venezuela. The United States exports as

much to Latin America as it does to the European Union, and it is the biggest customer for Venezuela's oil exports. If Venezuela were to create an alternative market for its oil—in Asia, for example—it would be able to free itself from dependence on US oil consumption.

The future scenario is also complex. Both the United States and Venezuela face many challenges. On the one hand, the United States has to deal with the Venezuelan situation without disturbing its relationship with other Latin American countries. Additionally, it has to take into account that an open confrontation would mean losing access to important oil resources. On the other hand, ALBA could benefit from the relative absence of the United States in the region and from the belief that Obama has not effected the expected changes. However, ALBA's strong ideological stance weakens this initiative. Despite its attraction, some countries fear that if they join ALBA, they are supporting its confrontational approach. ALBA's greatest challenge will therefore be its ability to build broader integration and cooperation to overcome knee-jerk anti-Americanism. 

## **The Robarts Centre for Canadian Studies**

The Robarts Centre for Canadian Studies supports interdisciplinary and discipline-specific research pertinent to the study of Canada and "Canada in the World." In practice, this has meant an orientation toward broader Canadian and international scholarly and policy-making communities, inquiries into comparative perspectives on the Canadian mosaic, and assistance to York scholars in working with their counterparts in other countries.

Faculty at the Robarts Centre, including the Director, the Associate Director, and other Robarts researchers, regularly teach courses and contribute to curriculum development in areas pertaining to Canadian, North American, and comparative studies. The Robarts Centre also provides supervised research and writing opportunities for graduate students from a wide range of York graduate programs.

The Robarts Centre offers a strong program of high-level seminars, workshops, and conferences on major issues, focusing on Canadian perspectives on Communications, Culture, the Fine Arts, History, Political Economy, Public Policy, and International Relations. Participants include York faculty and students, Canadian and international scholars, and the larger community of Metropolitan Toronto.

Current, ongoing work at the Centre includes research initiatives on the public domains and international standards, Canadian cinema, and issues pertaining to media perspectives on Canada. The Centre acts as a research arm for the Joint Program in Communication and Culture and its work on the Canadian Internet Project. The Centre also housed the Toronto offices of the Great Unsolved Mysteries in Canadian History Tom Thomson project. ■

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