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## How ALBA is Viewed as a Symbol of Hope in Latin America and the Caribbean

ALBA (La Alianza Bolivariana para los Pueblos de Nuestra América), stands as an intercontinental project for Latin American and Caribbean socio-economic and political integration. Translating into “The Dawn” in Spanish, with the logo symbolising the Bolivarian region of South America radiating like the sun, to many developing countries, ALBA energises and inspires hope. During the early 1980s, the world witnessed the proliferation of neo-liberal structural adjustment policies which were imposed upon the Third World by the IMF and World Bank. By the late 1980s, an approximation of seventy percent (70%) of the world had no option of accepting such policies in order to combat the negative ripple effects which the economic crisis had on their economy and society. While this program was successful in some countries it has pushed the Latin American region into further debts and turmoil. More recently, a Free Trade Area of the Americas was established under the control of the US. The Free Trade Area of the Americas (FTAA) is a trade agreement under negotiation with the aim of expanding the North American Free Trade Area (NAFTA). Nonetheless, in 2001 much of the Latin American countries joined forces to block the FTAA under the leadership of Chavez.

On December 14th 2004, upon the signing of a bilateral agreement between Cuba and Venezuela, the Bolivarian Alternative for the Peoples of Our America commonly known as ALBA was launched as an alternative to the FTAA. ALBA is generally conceptualized as an integration platform with the aim of achieving social, political and economic integration between Latin America and the Caribbean region. This integration framework affirms to the belief that globalization and neo-liberal agendas benefit mainly the rich and powerful in society. Moreover, Chavez contended to the perspective that the FTAA is an effort by the US to exploit the peoples of the region in a similar manner to the way in which the Spanish colonizers did in South American history. In this regard, Chavez claimed that greater state/government control is necessary in order to maximize the welfare of its citizens and rivals of US powers need to cooperate in order to liberate the region from American hegemony.

Upon the signing of the bilateral agreement between Cuba and Venezuela in 2004, the first joint declaration of ALBA summit occurred in 2005. Later, the following countries were included as members of ALBA. They include Bolivia, Nicaragua, Honduras, Dominica, Antigua and Barbuda, Ecuador, Grenada, Saint Lucia and St. Vincent and the Grenadines.

Recently, ALBA has unfurled new dimensions in its identity and plans to forge ahead. For example, In the Third Summit of ALBA (2006), the Peoples Trade Agreement was accepted. This agreement aimed at expanding ALBA principles to trade related agreements. In the fourth Summit (2007), the protocol of Grand nations was announced. In the fifth summit of ALBA (2007), the structure of ALBA was defined. Three major commissions—economic, social and energy—have been established; the ALBA Bank has also been established. In the sixth Summit of ALBA, a cultural agreement was signed and a political declaration about social movements and a support to Bolivian peoples’ struggle were also declared. In an extraordinary summit convened to draw up a special plan for food security and declare support to Bolivia’s government, the ALBA bank and social programmes were put in place. It should be emphasized that ALBA as an integration process not only deals with economy related issues but also has

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taken upon itself the responsibility to defend the rights of the Latin American peoples in every field of life.

Under ALBA, there are various key areas which capture the attention of member states. The Trade for Peoples Agreement (TCP) agreement is viewed as an alternative to the proposed trade agreements of the North. The TCP is also based upon the principles of complementarity, cooperation and mutual collaboration which reflect the welfare of nations. Here, non-reciprocity, compensated trade, reciprocal credit agreements and trade agreements are negotiated on a case-by-case basis thus providing flexibility. Moreover, it seeks to provide trade integration for the benefit of society as opposed to markets or firms, dependent on the nations. Lastly, under this arrangement, most favored nations and national treatment policies are abandoned as it promotes MNCs and foreign firms thereby limiting the role of the state.

Energy and energy integration are regarded as the most important issue in the Latin American and Caribbean region. While Venezuela is the fifth richest country in oil reserves and third main exporter, Bolivia has one of the highest reserves in natural gas. These parameters increased the importance of energy integration not only for ALBA members but also for the whole world. According to the Caracas Agreement (2005), Cuba and Venezuela have decided to improve collaboration in this field. In April 2007, Cuba, Bolivia, Venezuela, Haiti and Nicaragua have signed an energy agreement. The agreement is based on cooperation in oil and natural gas research, building refineries and ensuring protection. Also, it is stated that Cuba will share its energy saving experience with other ALBA countries.

ALBA's values are based on equity and justice. It is an agreement that serves the interest of people that are exploited and socially excluded within the system, particularly the poor, indigenous people and workers who should be protected. The main objective of ALBA is to maintain socio-economic development and, at the same time, focus on social justice and decrease in poverty and increase in life standards (Bancoex, 2009). The main goals of ALBA includes poverty reduction and the promotion of socio economic reform via trade agreements which are designed to meet each country needs as opposed to the neo-liberal policies. In this regard, ALBA's cooperation has consisted mostly of concessional financing for the relief of energy import bills, support for projects in health and education which directly benefits the poor and non-reciprocal trading agreements (Girvan, 2011). Such key elements have already been applied. For instance, the Cuba-Venezuela agreement aimed at the exchange of petroleum as well as medical and educational resources between both nations. As such, Venezuela began exporting an approximation of 96, 000 barrels of oil per day to Cuba at a favorable price while Cuba sent an estimation of 20, 000 medical staff and teachers to the poorer parts of Venezuela. Perhaps it is also important to mention the relationship between ALBA and Dominica at this time. Girvan (2011) highlighted that although Dominica became a member of ALBA in 2008 they have been participating in PetroCaribe since 2005, hence forging a close affiliation with Venezuela. The Dominican government accounts a total of EC\$119 million of financial assistance for 26 projects in housing, infrastructure, security and agriculture. This benefited over 1,000 families and 34,000 individuals; the latter figure being approximately 45 percent of the national population. These projects are a central element in the government's Medium-Term Growth and Social Protection Strategy (2006) which aims to achieve poverty reduction and social protection through pro-poor growth. The government reports that findings from a recent Country Poverty Assessment are that the level of poverty has fallen from 39% in 2003 to 28.8% in 2009 while absolute poverty fell from 10% in 2003 to 3.1% in 2009. The reduction in poverty is mainly attributed to attempts by the government to stabilize the economy, contain the debt

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and expand social and physical infrastructure.

It is noteworthy to mention that it is possible to access assistance from ALBA without being an official member of the integration initiative. In fact, a total of ten (10) out of the seventeen (17) Caribbean countries has received assistance from ALBA. Non-members can obtain loans from the ALBA Caribe Fund, ALBA Bank and ALBA Food Security Fund all financed by PetroCaribe. PetroCaribe was initiated in June 2005 as an extension of the 2001 Caracas Energy Accord. Norman Girvan (2008) noted that ALBA and PetroCaribe can be classified as a significant development in the geo-economic and geo-political landscape in the hemisphere. He continued to outline that CARICOM countries cannot ignore such developments and ALBA as well as Petrocaribe are new sources countries turn to for financial and technical cooperation, human resource development and the infrastructural developments amongst others.

Many share the belief that the creation of an ALBA economic bloc may conflict with the implementation of the CSME. However, Girvan (2008) noted that this is not always the case. More in depth analysis revealed that within ALBA there is no commitment towards the liberalization of trade and investment or adoption of common economic policies and the erection of economic barriers. In fact, ALBA excludes the features of an orthodox integration initiative. Thus, the possibility of a conflict arising is least likely.

The ALBA bloc is very important to examine due to its growing influence in Latin America as well as the Caribbean region. The emergence of ALBA has facilitated a rapid increase in the tension which exists between the US and members of ALBA as a result of the anti- American crusade hosted by Chavez. His efforts aimed at creating a divide between 'anti' and 'pro' US countries in Latin America (Vassallo 2010). Nonetheless, the supporters of ALBA affirm that it has helped to foster development and integration of its members via fair trade and cooperation opposed to exploitation and competition. Arthur Shaw describes ALBA as an "astonishing success." Shaw views the growth of the Venezuela and Cuba alliance to include seven new member states as an extraordinary achievement. Others held the belief that ALBA under the leadership of Chavez is taking steps to combat the ills associated with globalization. Kaitlin Baird (2009) outlined "Latin American nations have significantly less developed industries compared to the US and because of this the only people who have benefited from these trade agreements are the wealthy government and corporate elites, leaving the majority of these countries' populations to suffer in poverty." She continued to state that international organizations such as the World Trade Organization (WTO), International Monetary Fund (IMF), and World Bank impose neoliberal ideas and policies upon under-developed countries. They also view US-backed trade agreements such as FTAA, North American Free Trade Association (NAFTA), and Central American Free Trade Association (CAFTA) as a way to maintain US hegemony over the Western Hemisphere.

Others who are seated on the opposition party claim that the ALBA bloc is anti-democratic. According to the former US Speaker of the House Newt Gingrich ALBA claims that Latin America is part of the undemocratic tide that is taking place in Latin America. Gingrich believes that ALBA's reason for being is to create Latin American authoritarian governments on the model of Castro's Cuba. He explains that: "Although Chavez was democratically elected, he has subverted democracy in Venezuela to ensure rule will be uncontested for decades. And one by one, each of the members of ALBA have followed Chavez's lead and changed their constitutions to remove limits on the number of terms their presidents can serve." (Gingrich 2009)

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This trend is restricting basic freedoms for the people in Latin America. In Venezuela, Chavez has managed to wipe out political opposition by instilling fear and terrorizing potential “enemies.”

Danielle de Bruin (2008) stated that ALBA is a socialist plan designed in a manner to undermine the US “disguised as an aid and development program.” De Bruin argues that ALBA member states failed to recognize the consequences of turning their back on the US and aligning themselves with Chavez. Most of these countries depend on foreign investment and tourism for their economic development, and a relationship with Chavez will hinder their progress.

Alejandro Bendaña, President of the Center for International Studies, and former Nicaraguan Ambassador to the UN, views ALBA as a collaboration scheme. Bendaña is concerned that ALBA’s objective of reversing Latin America’s dependency on the US is being replaced with a dependency on Venezuela. This dependency is evident by the PetroCaribe agreement, whereby the agreement cuts the cost for PetroCaribe members, but it increases the dependency and consumption of oil. In this respect, Bendaña argues that the money owed to Venezuela as a result of PetroCaribe agreements places Chavez in a position to use its members as instruments to gain social and political control.

The ALBA Bloc has led to Latin American economic and social integration, at the same time causing political instability. The ALBA Bloc has led to economic integration, which will result in short-term fixes. The ALBA governments will enable their people to accept assistance, without seeking ways to improve upon their situations. The economies are more integrated, but without the benefit of financial growth. The ALBA Bloc appears to be dividing Latin America and the Caribbean, which is creating a hostile situation. The ALBA Bloc is also leading to a decline of democracy, which has created political instability.