

ALBA and UNASUR – The Emergence of Counter-hegemonic Regional Associations  
in Latin America and the Caribbean

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May 22, 2012

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Paper being presented as part of the panel:

“Contours of anti-neoliberalism in Latin America and the Caribbean:

Case studies from Cuba, Venezuela, Colombia and ALBA

Wednesday May 31, Congress 2012, Canadian Federation for the Humanities and  
Social Sciences (CFHSS), Canadian Association for Studies in International  
Development (CASID/ACÉDI), and Society for Socialist Studies (SSS-SÉS), University  
of Waterloo, Waterloo, Ontario

June 3, Ideas Left Out, Ontario Institute for Studies in Education, Toronto, Ontario

Draft only

Not for publication

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## Abstract

Latin America and the Caribbean have been victims of more than 500-years of colonialism and imperialism. A key component of both colonialism and imperialism has been the denial of and/or distortion of sovereignty throughout Latin America and the Caribbean. Neoliberalism has been but the most recent frame within which to continue this project. The FTAA (Free Trade Area of the Americas) was to have consolidated neoliberalism across the hemisphere, under U.S. hegemony. But the rise of massive social movements throughout the region, prevented the launch of the FTAA in 2005. This has not stopped the attempt to institutionalize neoliberalism. Both the U.S. and Canada have turned to bilateral deals as an alternative to the FTAA. However, we have also seen the creation of regional trade and investment associations independent of the United States and Canada. This paper will examine two of these – ALBA (the Bolivarian Alliance for the Americas) and UNASUR (the Union of South American Nations) – and assess their impact as counter-hegemonic projects. The paper builds on earlier research published in *New Political Science* and forthcoming in *The Wiley-Blackwell Encyclopedia of Globalization*.

Extraordinary events are unfolding in our hemisphere, events which have gone almost unnoticed in Canada and the United States. To find these events, you have to be trained at reading footnotes. Here are three examples. In May of 1997, if you go to the web page of the Organization of American States (OAS), you find the following identity claim. "The Organization of American States is the world's oldest regional organization. It is the principal forum in the hemisphere for dialogue on political, economic and social issues. Every country in the Americas is a member of the Organization" (OAS 1997a). But this identity claim is, on one key point, misleading. Turn to the section of the web site which lists member states of the OAS, and beside Cuba there is an asterisk, leading to our first footnote. "By resolution of the Eighth (sic) Meeting of Consultation of Ministers of Foreign Affairs (1962) the current Government of Cuba is excluded from participation in the OAS" (OAS 1997b). Every country in the Americas might be a member, but one – Cuba – cannot participate.

The 1962 resolution of the Eighth Meeting of Consultation of Ministers of Foreign Affairs, the resolution which barred Cuba from participating, is worth examining. It is steeped in the rhetoric of the Cold War. The resolution argues that "the continental unity and the democratic institutions of the hemisphere are now in danger" and that danger comes from "the subversive offensive of communist governments, their agents, and the organizations which they control". Cuba was barred from participation in the OAS because it was "Marxist-Leninist" and "the adherence by any member of the Organization of American States to Marxism-Leninism is incompatible with the inter-American system" (OAS 1962).

Now shift to the OAS web site for 2012, and our second footnote, also attached to the country of Cuba. It says that as of June 3, 2009, "the 1962 resolution, which excluded the Government of Cuba from its participation in the inter-American system, ceases to have effect" (OAS 2012a). Then Honduran President, Manuel Zelaya, hailed the vote to offer Cuba re-admission (an offer in which Cuba has indicated no interest) saying: "The Cold War has ended today ... We have made a wise and honorable decision" (Rama 2009).

Clearly, enormous changes have taken place between 1962 and today. In 2009, when regional leaders were demanding extending an olive branch to Cuba, U.S. Secretary of State Hilary Clinton was extremely reluctant to comply. U.S. intransigence, according to Ortega, was rooted in the fact that: "The U.S. wants to use [the OAS] as an instrument of domination over our people" (Sheridan 2009). In 2009, this proved impossible. But in 1962, without any question the OAS was an extension of U.S. foreign policy, an agency of empire in what was considered the "backyard" of the United States. In April 1962, four months after Cuba was excluded from participation in the OAS, there was an attempted coup d'état against the Cuban regime (the so-called "Bay of Pigs") through an invasion launched from U.S. soil, preceded by a bombing run originating from Nicaragua. The exclusion of Cuba from the OAS, in other words, was part of the backdrop to other OAS members, under the leadership of the U.S., participating in an attempted coup against the Cuban regime.

Coups d'état, unfortunately, are also part of the contemporary story. Less than one month after Zelaya had so passionately supported ending the OAS proscription against Cuba, he was ousted in a violent coup. This leads us to our third and final footnote, visible on the 2010 version of the OAS web site, attached to Zelaya's country, Honduras. It reads: "On July 5, 2009, the Organization of American States (OAS) invoked Article 21 of the Inter-American Democratic Charter, suspending Honduras from active participation in the hemispheric body". Honduras had been excluded not, as in the case of Cuba, for its "Marxism-Leninism," but rather "as a result of the June 28 coup d'état that expelled President José Manuel Zelaya from office" (OAS 2010). The OAS in 2009 was acting, not as the arm of U.S. foreign policy it had been in 1962, but as a collective expression of the defence of sovereignty in the region. The contrast between the two moments is extreme. In 2009, the OAS acted to punish a member state because of a coup d'état. In 1962, the OAS punished a member state as a prelude to a coup d'état. In 1962, the Cuban government was excluded from the OAS because it was socialist (or in the Cold War language of the day, "Marxist-Leninist"). But in 2009, the pressure to reinstate Cuba came from former guerilla revolutionary leader Daniel Ortega, now president of Nicaragua; the author of the phrase "21<sup>st</sup> century socialism," Venezuelan President Hugo Chávez, "as well as from countries governed by moderate leftists, such as Brazil" (Sheridan 2009).

This paper will suggest that, to properly navigate these profound changes, this entire debate has to be recast. The 1962 charge of "Marxism-Leninism" against Cuba, has provided the almost universal framework understanding dynamics in the region. On both the left and the right, the issue was choosing between Socialist Cuba and the Capitalist West. But perhaps we have chosen the correct letter, "s", but used it to introduce the wrong word, "socialism"? Perhaps more useful in understanding the trajectory of the region, would involve keeping the "s", but using it to introduce not "socialism," but rather the much less politically charged word "sovereignty"? This paper will test out this hypothesis, by using the struggle for sovereignty as the frame with which to assess two new regional organizations emerging as rivals to the OAS – ALBA, the Bolivarian Alliance for the Peoples of our America, and UNASUR, The Union of South American Nations. The paper will suggest that, while less politically charged than the "socialism versus capitalism" polarity, there might actually be substantially more content and importance to the much simpler, and perhaps much more basic duality of "sovereignty versus empire".

## ALBA

(This section is based substantially on Kellogg 2012a). ALBA – the acronym for the Bolivarian Alliance for the Peoples of Our America (from the Spanish, *Alianza Bolivariana para los Pueblos de Nuestra América*) – "is an alternative approach to economic, social, cultural and political integration that aims to foster trade, development and unity among the nations of Latin America and the Caribbean on the basis of a set of principles distinct from those underlying conventional integration efforts" (Backer and Molina 2009, 688). The idea first emerged in discussions between Cuba's Fidel Castro and Venezuela's Hugo Chávez in 1994 (Cole

2008, 37) and began to take formal shape with the Cuba-Venezuela Integral Cooperation Agreement in 2000. The acronym “ALBA” was used publicly for the first time (by Chávez) at the December 2001 Association of Caribbean States Summit (Muhr 2010, 118; Blake 2009, 98). The alliance finally took institutional shape December 14, 2004 with a formal agreement between the governments of Cuba and Venezuela (Backer and Molina 2009, 698). They were joined in 2006 by Bolivia, in 2007 by Nicaragua, in 2008 by Dominica, and in 2009 by Ecuador, St. Vincent and the Grenadines, and Antigua and Barbuda. At the eleventh ALBA summit in February 2012, Suriname and Saint Lucia adhered as “special members”, and Haiti became a full member. “ ‘We have changed from three to six Caricom members in the ALBA and, though we did not realize it, they represent more than half the population (of that Caribbean organization’, said Prime Minister of Saint Vincent and the Grenadines, Ralph Gonsalves” (AVN 2012). Honduras joined in 2008, but the coup in 2009 resulted in a change of government, and a decision to withdraw from the alliance in early 2010 (Hart-Landsberg 2010, 17).

The acronym itself originally stood for the *Bolivarian Alternative for the Americas*. In 2007 the name was changed slightly, first to *Bolivarian Alternative for Our America*, then to *Bolivarian Alternative for the Peoples of Our America*. However, “since the 6<sup>th</sup> Extraordinary ALBA Summit” in June 2009, ALBA has stood for *Bolivarian Alliance for the Peoples of Our America* (Muhr 2010, 130). Retained in all the versions, however, is the acronym “ALBA,” which “in Spanish means dawn” with the clear implication “that there is a dawning of a new (non-capitalist) reality” (Cole 2008, 37).

The story of ALBA is completely intertwined with that of the now moribund Free Trade Area of the Americas (FTAA). The FTAA was to have been the culmination of a series of trade and investment deals, under U.S. leadership, which by 2005 were to have encompassed all countries in the Americas except Cuba. The project was first publicly sketched out in June 1990 by then U.S. president George H. Bush, who that month announced the “Enterprise for Americas” initiative “intended to establish a ‘competitive, free market from Alaska to Tierra del Fuego.’” NAFTA (the North American Free Trade Association) “was the first step in this process” and in December 1994, less than a year into the launch of NAFTA, “the First Summit of the Americas of the Organization of American States, held in Miami, considered the establishment of the *Área de Libre Comercio de las Américas* (ALCA) (Free Trade Area of the Americas (FTAA))” (Cole 2008, 32–33).

ALBA emerged as a response to this process. December 1994, in Miami, Florida, the first Summit of the Americas publicly broached the FTAA plan. Simultaneously, in Havana, Cuba, Fidel Castro (the one head of state excluded from the Summit) became acquainted with Hugo Chávez, still five years away from becoming president of Venezuela. Chávez spoke about “realizing the dream of [Simón] Bolívar ... the union of America.” Castro reciprocated, in a speech “to mark the agreement of intent to establish the Bolivarian Alternative for the Americas,” arguing “like never before we need the ideas of Bolívar and Martí ... the imperialist strategy is very clear ... to impose a political and economic regime which is convenient to the United States” (Cole 2008, 36). The year that the FTAA process

failed to launch, 2005, was also ALBA's first full year of existence (after a pact signed by Cuba and Venezuela in December 2004).

Invoking the names of Bolívar and Martí headlines the deeper historical roots of ALBA. Bolívar was the first in a long line of Latin American political leaders to argue that regional integration was indispensable for the newly-emerging independent republics. In 1812 he said: "I am of the opinion that until we centralize our American governments, our enemies will gain irreversible advantages" (cited in Cole 2008, 31). This argument for regional integration was "echoed in the writings of Jose Martí" three generations later (Backer and Molina 2009, 690). It is not a coincidence that Cuba and Venezuela, the first two signatories to ALBA, were "the home nations of José Martí and Simón Bolívar respectively" (2009, 696).

The more immediate roots of ALBA can be found in what its proponents see as the devastating effects of U.S.-led neoliberal economic policies during the "lost decade" of the 1980s, and the threat that the creation of the FTAA would intensify neoliberalism and lead to more lost decades. For much of the 20<sup>th</sup> century, countries in Latin America and the Caribbean had attempted various forms of state-led development strategies, often under the rubric of "Import-Substitution Industrialization" (ISI). But "debt-triggered economic crises" in the late 1970s and early 1980s led many Latin American (and Sub-Saharan African countries) to accept "IMF and World Bank structural adjustment programs requiring privatization, deregulation, and trade liberalization" (Hart-Landsberg 2009, 2). It is those latter policies that have acquired the name "neo-liberalism" or "Washington Consensus" (Kellogg 2007, 187-189 and 194).

The overall thrust of the FTAA was seen as focusing "on the interests of transnational corporations and capital without taking into account the social and economic needs of the people of Latin America" (Backer and Molina 2009, 688). For the ALBA countries, "the orthodox economic principle of comparative advantage, which presumes competition through a functioning price mechanism, is superseded by the logic of the *cooperative advantage*" through the "principles of solidarity, cooperation and complementarity ... placing human rights and state sovereignty over commercial interests" (Muhr 2010, 118).

Operationalizing these principles happens not only under the rubric of ALBA, but through a series of related but independent institutions, including a pan-Latin American television network (TELESUR), an insurance company and The Cooperative Bank of the South. One of the most important of these institutions is Petrocaribe, "a Venezuelan program to provide subsidized oil to fourteen Caribbean nations" (Hart-Landsberg 2010, 10). Petrocaribe "shares many elements in common with ALBA, including compensation for asymmetries and the financing of poverty reduction and of the state sector. In Venezuelan eyes, Petrocaribe and ALBA are expressions of a Bolivarian vision" (Girvan 2008, 8). Petrocaribe incorporates many more countries than does ALBA itself. As of 2009, all but two (Barbados and Trinidad/Tobago) of the 15 member countries of the Caribbean Community (CARICOM), along with Haiti, Nicaragua, Honduras and Guatemala had signed the Petrocaribe Energy Cooperation Agreement with Venezuela, while Costa Rica and Panama were in the process of adherence (Muhr 2010, 121).

The reasons for the growth of Petrocaribe are straightforward. Oil (from Venezuela) is made available to Petrocaribe members on concessional terms. When oil is above \$30 a barrel, 25 per cent of the purchase price can be deferred; “at above \$40, 30 per cent; above \$50, 40 per cent; above \$100, 50 per cent. The balance is payable over 25 years at 2 percent” falling to 1 percent when oil prices are above \$40 a barrel. So important is oil to the economies of the Caribbean region, and so popular has Petrocaribe become, that it “has become the largest single source of concessional finance to the Caribbean region,” surpassing both U.S. Foreign Assistance and disbursements from the Inter-American Development Bank (Girvan 2008, 7).

Another example of how ALBA principles are operationalized can be seen in the experience of Nicaragua. Officially, that country’s chapter in the story of ALBA began in 2007, when re-elected president Daniel Ortega – leader of the Sandinista National Liberation Front (FSLN) and a long-time friend and ally of Fidel Castro – formally brought his country into the alliance. However, in very material terms, the relationship of Nicaragua to ALBA precedes Ortega’s re-election, and is in fact a factor in his election victory.

Nicaragua was one of those Latin American countries devastated through the years of the Washington Consensus. “[F]rom 1990 to 2006, the country dropped from rank 60 to rank 120 in the United Nations Human Development Index” (Muhr 2010, 117). One of ALBA’s first projects, after its creation late in 2004, was to work with Nicaragua on issues of poverty and development, in spite of the existence of a government in Nicaragua oriented towards Washington, and hostile to both Chávez and Castro. In 2006, Nicaragua was suffering from an “unprecedented energy crisis” due to the high price of oil. In that context Petrocaribe was party to joint ventures sanctioned, not by the Nicaraguan government, but by 153 municipal governments. These arrangements between Petrocaribe and the sub-national states in Nicaragua, arranged for concessionary pricing on oil on terms much as outlined above. When “oil shipments arrived from October 2006” it “effected a seventeen percent diminution of bus fares in Managua. The socio-economic impact can not be over-estimated, as, for instance, in the southern department of Río San Juan (RSJ) the production of export and non-traditional crops had stagnated due to the doubling of transportation costs in 2005/2006” (Muhr 2010, 123).

The most striking innovation in ALBA-related trade arrangements is the possibility of trade between countries without the use of money as an intermediary. One of the first “trade” arrangements between Cuba and Venezuela, after the 2004 signing of the document which created ALBA, was to involve Cuba sending 15,000 doctors to staff hundreds of new medical clinics in Venezuela, in exchange for “discounted petroleum imports with a value of USD one billion annually” (Harris and Azzi 2006, 6). This aspect of the alliance has been called a “partial challenge” to the logic of capitalism itself (Kellogg 2007, 205). But certainly in the case of Nicaragua, it was the more “traditional” forms of regional assistance, before Ortega’s re-election, which were more important, including (in addition to the energy support outlined above), significant health care assistance for those in the country with vision issues, and a literacy campaign with a goal to “declare Nicaragua illiteracy-free in 2008” (Muhr 2010, 124).

ALBA is not the only new regional association in Latin America. The Brazil-centred South American Community of Nations or UNASUR (*Union de Naciones del Sur*) (Backer & Molina, 2009, p. 140), like ALBA announced in 2004 (although not formally founded until 2008) (Costoya 2011, 85) will be examined in the next section of this paper. UNASUR incorporates more countries including the two big South American economies, Brazil and Argentina. This gives UNASUR potentially far more resources and economic clout than ALBA. There are clear potential tensions between the two, revolving essentially around conflicting interests between Venezuela (the key state in ALBA) and Brazil (the key state in UNASUR) (Kellogg 2007). However, there are many respects in which the two need to be seen in unison. UNASUR played a critical role when the third ALBA state, Bolivia, was facing violent uprisings against its government in 2008 (Costoya 2011, 86). In fact, one observer argues that even if smaller, the principles of ALBA “appear to increasingly shape” the actions of UNASUR (Muhr 2010, 119).

Not surprisingly, there are divergent views as to the future of ALBA. Chávez has framed ALBA as a road to “21<sup>st</sup> century socialism” (Backer and Molina 2009, 739). The United States Armed Services Committee sees ALBA as “a great threat to the current economic order and the political order of states” (Backer and Molina 2009, 683). But others put the ALBA project in less ideologically-charged terms. A recent analysis suggests that a parallel can be found in European history in the creation of the European Payments Union (EPU). The West European economies emerged from World War II with severely weakened economies. Unable to easily operate on a completely open trade and investment field, and after a few post-war years of trying to operate through a patchwork of unwieldy bilateral deals, the EPU was launched. It represented a two-fold approach to the region’s problems. Hart-Landsberg calls it “group delinking” from the world economy (2010, 3), by which the group of nations as a whole arranged for protection in terms of trade and investment between Western Europe and the rest of the world, while developing a system to encourage and facilitate trade and investment within Europe. This allowed the European economies to develop, sheltered from the more powerful economies in the world, and as that development proceeded, to gradually lower protective barriers against the rest of the world. Hart-Landsberg sees parallels in the ALBA countries as they seek “to create their own regionally protected, integrated currency and trade zones” (2010, 14). This project of “group delinking” would be accelerated if ALBA successfully launches its own “regionally created currency, the sucre” (2010, 1 and 15–16).

Perhaps the most “open-ended” way to approach the ALBA initiative, would be to see it as an attempt at creating a “counter-hegemonic” approach to the processes of globalization which have dominated the history of Latin America and the Caribbean for some decades (Harris and Azzi 2006, 15).

## UNASUR

(This section is substantially based on Kellogg 2012b). The Union of South American Nations, known by its acronym UNASUR (based on the Spanish *Union de Naciones Suramericanas*), was formally constituted on May 23, 2008 through the South



American Union of Nations Constitutive Treaty. It includes all South American countries except French Guiana. In 2009, the combined population of UNASUR countries (389 million) was less than but comparable to that of the countries in NAFTA, the North American Free Trade Agreement (458 million). However, the combined Gross Domestic Product of the UNASUR countries, at \$2.9 trillion, was considerably smaller than the \$16.3 trillion GDP of the NAFTA countries (Compiled from United Nations Statistics Division 2011).

UNASUR is comprised of several key institutional bodies. The Council of Heads of State of Government deals with policy. Implementation of foreign policy decisions is through the Council of Ministers of Foreign Affairs. The key deliberative body is the Council of Delegates – on the basis of one delegate per member state – which meets every two months. Finally, there is a General Secretariat, led by a Secretary General, based in Quito, Ecuador (Cordero 2009, 11–12). The first Secretary General, elected in 2010, was former Argentine President Nestor Kirchner.

UNASUR is part of a complex mix of regional associations in the Americas. It is, like ALBA, an alternative and response to the failed Free Trade Area of the Americas (FTAA), and also a potential challenger to the Organization of American States (OAS). Because it excludes the countries of North America, UNASUR operates, unlike the FTAA and the OAS, without the United States or Canada having a seat at the table. However, that also leaves Mexico – the second largest economy in Latin America – outside the union.

The 12 UNASUR countries are all members of pre-existing regional associations. Argentina, Brazil, Paraguay, Uruguay and Venezuela are members of MERCOSUR, The Southern Common Market (*Mercado Común del Sur*); Bolivia, Colombia, Ecuador and Peru are members of CAN, The Andean Community (*Comunidad Andina*); Chile is an associate member of both MERCOSUR and CAN and Guyana and Surinam are members of CARICOM, the Caribbean Community. UNASUR in fact builds explicitly upon attempts to increase cooperation between MERCOSUR and CAN. The Cuzco CSN summit in 2004 was preceded by a free trade pact between these two regional associations “vowing to phase out all import tariffs throughout the course of the next fifteen years” (Brown 2010, 85).

Thus, the integration of the southern hemisphere of the Americas, which until 2005, looked to be happening under U.S. leadership through the FTAA, now has a completely different dynamic, one which excludes both the United States and Canada. These two powerful Global North countries, however, are still factors in the reconfiguration of the South American economies. In the wake of the failure of the FTAA and the launch of UNASUR, they have shifted to bilateral trade and investment agreements. In particular, both have signed FTAs with two of the key CAN countries, Peru (the U.S. in 2005 and Canada in 2009) and Colombia (the U.S. in 2006 and Canada in 2008). The post 2005 “landscape has seen the reconfiguration of neoliberalism taking form in and through the proliferation of bilateral and plurilateral FTAs, resulting in what has been called the ‘spaghetti bowl’ of trade regimes. ... [T]his deterritorialised and more flexible neoliberalism is attempting to achieve a ‘Post-Washington consensus’” (Costoya 2011, 83).

The U.S. deals with Peru and Colombia in 2005 and 2006 triggered a crisis in CAN. Up until that point, Venezuela had been a member of CAN. But April 19, 2006, Venezuela announced it was withdrawing from CAN and “less than three months later ... was admitted as the fifth full member of MERCOSUR,” which “does not allow its members to sign FTAs with the United States.” In spite of this, the United States was pushing, in 2010, for a trade and investment agreement with Uruguay which some observers saw as a clear attempt to undermine MERCOSUR, and by extension, southern-centered regional integration initiatives (Brown 2010, 86 and 93). Whether these bilateral FTAs will be a challenge to UNASUR remains to be seen.

While formally constituted in 2008, UNASUR first came to public attention as the South American Community of Nations (CSN), following the signing – by 12 South American presidents – of the Cuzco Declaration, December 8, 2004. Without the participation of Mexico, Brazil is by far the largest economic player in CSN/ UNASUR. It was then Brazilian president Fernando Cardoso who, in 2000, convened a summit of South American presidents, resulting in the Brasilia Declaration, whose essence was the goal of a South American union. As was suggested in the discussion on ALBA, given the central role of Brazil, combined with the fact that the Venezuelan-centered ALBA was also launched in December, 2004, it is tempting to see UNASUR and ALBA as contradictory regional blocs, reflecting a competition between Brazil and Venezuela (Kellogg 2007; Flandes and Wojczewski 2010).

But the reality is more complex. Venezuela strongly supported both initiatives. In fact, some argue that “UNASUR itself can be seen as a Brazilian-Venezuelan initiative” (Flandes and Wojczewski 2010, 11). The key contradiction is not between Venezuela and Brazil, but between the ALBA and UNASUR countries on the one hand, and the United States and Canada and their regional integration projects on the other.

This can be seen in the timing of the origins of UNASUR and ALBA. By having both regional integration projects in hand before the beginning of 2005, Venezuela and other anti-neoliberal states in the region had a much-strengthened hand with which to confront plans to inaugurate the U.S.-centered FTAA, scheduled to be launched that year. With ALBA, a radical regional integration project underway, as well as the very large and formidable UNASUR project, the anti-neoliberal forces had the institutional credibility to stop the launch of the FTAA.

There are differences in the approach of Brazil and Venezuela, reflected in the operations of the different regional associations. The example of MERCOSUR is instructive. Brazil, as the key country in MERCOSUR, has moved slowly when it comes to making the association a functioning federal entity. Brazil “does not support the smaller MERCOSUR members through payments into structural funds. Most parts of Brazilian society are skeptical of regional integration and not ready to pay the costs of regional leadership” (Flandes and Wojczewski 2010, 13). This is in sharp contrast to Venezuela’s role in ALBA, which has centrally involved redistributing wealth generated from oil in Venezuela to social and economic development projects in Latin America and the Caribbean.

However, a very different, more active and interventionist approach, by Brazil, has been shown in the alternative regional bank associated with key UNASUR countries. The Bank of the South (*Banco del Sur*) was founded 9 December 2007 by

the governments of Argentina, Bolivia, Brazil, Ecuador, Paraguay, Uruguay and Venezuela. The next month, 26 January 2008, the governments of Bolivia, Cuba, Nicaragua and Venezuela formed the Bank of Alba (*Banco del ALBA*). These two regional banks have at their center “member countries, very critical of the roles of the IMF and the World Bank,” who “intend that *Banco de Sur/ALBA* become an instrument of South-South solidarity and fair development.” Both of them build on the first developmentally active financial institution in the region, Venezuela’s BANDES (Bank for Economic and Social Development) formed in 2001 (Ortiz, 3). The transition from Brazil’s relatively passive role in MERCOSUR to a more active “pro-federalist” role in the *Banco del Sur* is evidence of the influence of the activism of the Venezuelan state. The future of UNASUR, then, cannot just be extrapolated from the history of MERCOSUR, but must be put in the context of the pressures for active regional integration, best symbolized by the role of Venezuela.

UNASUR’s role is political as well as economic. In its first 18 months of existence, UNASUR emerged as a key new player in Latin America and the Caribbean. Immediately upon the creation of UNASUR, it was confronted with uprisings against the Bolivian government. The UNASUR heads of state sided strongly with Bolivian president Evo Morales, helping to defuse the situation. That laid the stage for the important speech by Morales at the August 2009 meeting of UNASUR, where Morales “criticized the presence of foreign military bases in South America” and “proposed the creation of a regional School of Defence.” Third, in the wake of the devastating January 2010 earthquake in Haiti, UNASUR promised \$200 million in aid and “called the international community to forgive the Caribbean country’s debt” (Costoya 2011, 86).

This very visible role of UNASUR is a challenge to the long-standing role of the OAS in the region. One of the main criticisms of the OAS has been its perceived passivity in the face of coup d’états against sovereign states in the region (e.g. Guatemala, 1954) and foreign invasion against sovereign states (e.g. the U.S. invasion of Panama in 1989) (Allen 2010, 2–3). By contrast, UNASUR was part of the near unanimous condemnation of the coup against the government of Manuel Zelaya in Honduras, June 2009. It was also “quick to mobilize against the threat of a coup in Ecuador in September” 2010 (Weisbrot and Johnston 2010, 1). It is probable that this strong response from UNASUR made it almost unavoidable for the OAS to also come out against the coup in Honduras, as outlined in the introduction to this paper.

The existence of UNASUR and ALBA are also central to the changing place of Cuba in the Americas. The United States has long defined the isolation of Cuba as key to its actions in Latin America and the Caribbean. One reflection of that had been the exclusion of Cuba from the OAS, from 1962 on, outlined earlier. The dramatic shift in 2009 when Cuba was invited to rejoin the organization would have been inconceivable without the existence of strong regional organizations, such as ALBA and UNASUR, operating independently of the U.S. and Canada. Cuba has so far declined the offer. However, the important fact is the opening to Cuba, which represents a significant shift in relations in the region.

The politics and economics of regional integration in the Americas are extremely volatile and extremely dynamic. UNASUR needs to be seen as one

component of this more general process. Another of the key institutions has been the Rio Group of Latin American and Caribbean countries, in existence since 1986, and which like UNASUR excludes the United States and Canada. The Rio Group, just prior to the formation of UNASUR, played the key role in defusing tensions between Colombia, Venezuela and Ecuador. A Colombian military incursion into Ecuador had put these three countries at the brink of war. A deal was brokered, not by the OAS, but by the Rio Group Summit held in March 2008. Faced with a unified response against his military action by the Rio Group, then Colombian president Álvaro Uribe had to agree to a resolution which “included a rejection of the violation of Ecuadorian territorial sovereignty and an endorsement of the resolution of the Organization of American States (OAS), which had denounced Colombia’s attack.” Only one country in the OAS had refused to support the Rio Group’s actions against Colombia – the United States (Kellogg 2008). This activism of the Rio Group in 2008 was a clear anticipation of the activist role UNASUR would play in regional politics.

In 2010, the Rio Group was displaced by the Community of Latin American and Caribbean States (CELAC). Like UNASUR it excludes the United States and Canada. Unlike UNASUR, it incorporates the countries of Mexico, Central America and the Caribbean as well as the countries of the South American continent. At the very least, UNASUR deserves the same judgment given to CELAC by then president of Brazil Luiz Inácio Lula da Silva, who in 2010 said “the region was finally seeking its own personality” (de Castro Neves and Spektor 2011, 45).

## Conclusion

In April, 1959, Castro visited the United States and attempted to explain the Cuban Revolution to a suspicious audience. Speaking in English, a language with which he was not comfortable, he said: “I know the world thinks of us, we are Communists, and of course I have said very clear that we are not Communists; very clear” (UPI 1959). Yet just under two years later, the United States government would be proscribing Castro precisely for being communist – “Marxist-Leninist” in the vernacular of the OAS.

What this paper has suggested, is that it is time to put more weight on the 1959 declaration of Castro, and less on the 1961 Cold War rhetoric of the OAS. The key to understanding events in Cuba in the 1950s is not easily found when framed as an ideological clash between communism and capitalism. But when real, material circumstances are made the centre of investigation, those events – and the more recent emergence of regional assertions of sovereignty such as ALBA and UNASUR – are quite easily explained. Haiti and the other CARICOM nations now increasingly oriented towards ALBA, are not doing so because of the gravitational pull of communism, but rather because of the material assistance they can discover, through ALBA, in their own difficult assertion of effective sovereignty in the interests of development.

Think of the legacy of colonialism against which the Cubans were revolting in the 1950s – a local landed elite that kept vast tracts of land to itself, impoverishing the rural inhabitants, and a corrupt urban elite more interested in lining their own pockets than assisting with the modernization and development of the country. The

essence of the Cuban Revolution of 1959 was an insistence on effective sovereignty to facilitate national development – against the landed elite in the countryside and against the urban “comprador” elite in the cities. Examine the situation in Bolivia before Morales, and Venezuela before Chávez, and very similar impediments to development can be seen. We do not need to raise the red flag of “communism” to explain why big processes have developed in these countries – we need only understand that there are characteristics common to most countries experiencing long domination by the Global North. Among these are: a) archaic landed elites inherited from the incomplete and partial revolutions of the 19<sup>th</sup> century which frustrate development in the countryside; and b) local urban elites oriented more on the Global North, and not on national development. Challenging those foreign, rural and urban elites through the assertion of a real, effective sovereignty often cannot be done without mobilizing vast social movements – the greater the entrenchment of privilege, the greater the required mobilization.

The story of those mobilizations is for another paper. However, even an outline of recent history clearly indicates their relevance. The background to the ending of Cuba’s isolation is the rise of ALBA and UNASUR, and certainly the former, ALBA, would have been inconceivable without the emergence into political leadership of Chávez in Venezuela and Morales in Bolivia. The political existence of both of these political figures, has been predicated upon moments of very large mass social movements. Chávez would have been ousted from the presidency in 2002, were it not for the extraordinary movement of tens of thousands of the poorest citizens of Caracas to the gates of the presidential palace to oppose the coup against him that year (Wilpert 2012; Stoneman 2008). Morales and his party would have remained on the sidelines, were it not for the 1999 mobilization against water privatization in Cochabamba, the Campesino uprising in 2000, and the “gas wars” of 2003-2004 (Kohl and Farthing 2006). These are all moments in the great social movement processes of the last 20 years, processes which are the foundation upon which the profound changes with which this paper began, are being constructed.

The city of Cochabamba in Bolivia is emblematic of just how dramatic those changes have been. In 1999, Cochabamba was to have been the latest way-station on the neoliberal road to privatization, only to be met with almost unanimous resistance from the residents of the city who, after bitter confrontations, emerged completely victorious against Bechtel Corporation and its backers. When the 2009 Climate Change talks ended in disarray in Copenhagen, it was Cochabamba again which took centre stage, hosting in April, 2010, the extraordinary 35,000-strong conference “World People's Conference on Climate Change and the Rights of Mother Earth” (Links 2010). This paper began with an outline of developments in the OAS, so it is appropriate to close with one more of these developments. The 42<sup>nd</sup> regular session of the OAS General Assembly will be held in June, 2012 – in Cochabamba, Bolivia (OAS 2012b).

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