

Venezuela's Continental ALBA Initiative:  
Rejecting FTAA and the Washington Consensus

by

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**Historic Context of the Bolivarian Process**

Today's leftist ruling power in Venezuela and the political left's ascendancy in the region are largely based on their opposition to U.S. economic policies. The Free Trade Area of the Americas, FTAA, and the Washington Consensus policy package are generally regarded as mostly favoring U.S. corporate regional dominance.<sup>1</sup> Neoliberal policies, including the financial formulas of the International Monetary Fund (IMF)--imposed on countries needing development loans and credits--, are rated as pro-business, corporate friendly programs, while ignoring, or even penalizing pressing socioeconomic needs of low- and middle-income population sectors. Advancing the national and international elite's economic and political objectives, Washington Consensus and neoliberalism favor free-trade liberalization, fiscal austerity (eliminating budget deficits partly caused by subsidies to help the poor), privatization, foreign investment, and globalization.<sup>2</sup>

As noted at a forum assessing Latin America's neoliberal policies record, the economic and social outcome of the market and trade liberalization reforms applied in the region for over two decades had mixed results. To critical observers such reforms work contrary to the equitable, sustainable development results expected and which had been promised while promoting the reforms as a proper replacement to the dated import-substitution industrialization (ISI) economic approach followed in earlier periods.

A critical view of neoliberal reforms states:

Latin America's market reforms have yielded disappointing results in terms of economic stability and growth, social equity and the quality of democracy...[C]ountries that enacted more radical reforms or that took especially drastic steps toward change performed less well than nations that proceeded more cautiously and gradually.<sup>3</sup>

However, a supportive view of neoliberal reforms states:

[M]arket reforms have increased growth while not significantly exacerbating economic instability and social inequality. And to the extent that neoliberalism fell short of expectations, the problem did not emerge from market reforms as such, but from deficiencies in the institutional context in which these reforms were enacted.<sup>4</sup>

For Latin American countries traditionally suffering from economic, social and political developmental problems, and needing to undergo institutional structural changes in most cases, arguing that neoliberal policies are not the problem per se but extant institutional deficiencies, as the supportive position states, is not a credible policy approach--particularly when sustainable social equity development is not even factored as a likely outcome. Continuing earlier governing practices, "[s]ince the early 1980s, financial security has replaced social security as a policy goal; social inequality has grown; income has been redistributed upward; and to lower the costs of doing business, the working poor have deliberately been deprived of economic opportunities and social mobility."<sup>5</sup>

A strong resentment is still lingering in Venezuela and among some countries that adopted neoliberal policies in the recent past. In Venezuela, before Washington proposed the FTAA in the early 1990's, a major popular protest had marked the direction of future domestic political developments. The revolt against the Washington Consensus-IMF-prescribed policies on February 27-28, 1989, ended in rioting in Caracas. The so-called *Caracazo* was a spontaneous popular revolt in opposition to President Carlos Andrés Pérez's neoliberal policies. The 100% increase in the price of petrol, which raised public transportation fees and triggered the uprising, was part of the Pérez Administration's IMF recommended economic package.<sup>6</sup> The *Caracazo* had lasting political consequences--the official repression had caused approximately 3,000 civilian deaths, which reinforced Hugo Chávez and fellow army officers' determination to engage in the struggle transforming the existent political and socioeconomic order.

The strong reaction against the reigning "business-as-usual" approach to representative democracy

(favoring the rich and powerful while ignoring the disenfranchised poor) has not been limited to Venezuela; it is symptomatic of a broader disillusionment with extant political practices and institutions throughout the continent. This is quite noticeable even after the restoration of civilian-led democratic representative governments in the 1980's and 1990's:

[T]he way in which wide sectors of the Latin American population conceive of democracy was not reflected by the actual performance of these reconstructed representative regimes. People's evaluations of political regimes, and not only democracies, tend to be heavily influenced not only by institutional or procedural questions but by the effective content of the decisions made within the framework of these procedures and institutions.

Moreover,

[T]he democratic transitions in most of Latin American countries from the mid-1980s on resulted in political regimes that in one way or the other adapted the procedures and institutions of representative democracy to the goals and rationale of the so-called Washington Consensus—what former U.S. president Bill Clinton referred to as *market democracies*: representative political systems whose principal commitment is the advance of capitalism in its particular neoliberal recipe. People's demands for social improvement were relegated to the back burner or directly discarded in the name of the preservation of so-called [neoliberal] “macroeconomic fundamentals.”<sup>7</sup>

From the lost decade of the 1980's to the neoliberal Washington Consensus financial formulas of the 1990's, the region's asymmetrical distribution of wealth signified years of penury for large sectors of the population, creating high levels of social inequality: “In 1998 the richest 5 percent of the Latin American population received a share of income twice as high as the comparable group in OECD [Organization for Economic Cooperation and Development] countries.” Meanwhile, at the other end “the poorest 30 percent survived on 7.5 percent of the total, 60 percent of the income share of the comparable group in advanced countries.” As reported by the Economic Commission for Latin America and the Caribbean (ECLAC), 200 million Latin Americans were living in poverty in 2000 (from 136 million in 1980), while three years later it was estimated at 225 million. Chile, lauded for its economic success under neoliberal policies (including the years of the so-called Chicago Boys' Washington Consensus policies sponsored by the Augusto Pinochet dictatorship, and the civilian renaissance that followed under *Concertación Popular*, and since), has ended with one of the deepest levels of social inequality in the continent.<sup>8</sup>

In Venezuela, the *Caracazo* provided the backdrop for President Hugo Chávez political career, although at the time “neither the civilians nor the military were prepared for it.”<sup>9</sup> However, by taking full responsibility for the failed military coup launched three years later under his leadership (1992), in a brief but historic television address to the nation, the up-to-then nationally unknown Chávez became a popular opposition symbol, and has remained so since. He had asked fellow plotters to surrender to avoid bloodshed, and stated that he was abandoning the struggle “for now” (while serving time in prison).<sup>10</sup>

A student of Venezuelan politics states,

The impact of this urban revolt [the *Caracazo*], both on the general population and on the soldiers involved, was to have a dramatic effect on the political development of the subsequent decade. Indeed the contemporary history of Venezuela begins with this cardinal event, for it persuaded the Bolivarian officers [Chávez's followers] to accelerate their [political] plans.<sup>11</sup>

While the *Caracazo* remained in Venezuelans' collective memory, the negative reaction to the

enforced IMF-Washington Consensus policies had an equally pervasive impact. Domestic politics were entangled as never before with international economic formulas. Meanwhile, the populace waited for a nationalist political alternative it could support. Responding skillfully to the nation's yearning for determined and responsive political leadership, allowed Chávez to be elected president less than five years after he was released from prison.

The Patriotic Pole (PP), a combination of leftist political forces including Chávez's Fifth Republic Movement (MVR), Fatherland for All (PPT), Movement Toward Socialism (MAS), and other parties, won the 1998 elections decisively with 56.2 percent of the vote.<sup>12</sup> Chávez increased his support to 59.5 percent in the 2000 elections, won the 2004 recall referendum with 59 percent, and was reelected in 2006 with 62.87 percent.<sup>13</sup> Primarily, politically empowered low income Venezuelans have brought Chávez to power, and ignoring militant opposition from different quarters have decisively sustained him since in what has been a conflictive political journey.<sup>14</sup>

Saddled with the negative socioeconomic effect of market capitalism and trade liberalization policies favored by Washington and the IMF, Venezuela's economically deprived population sectors welcomed anti-establishment politics, providing a popular supporting base to the Bolivarian process (the current social, economic, and political transformation taking place nation-wide). With Chávez having survived the relentless domestic and international opposition launched against his presidency, provoked largely by his opposition to neoliberalism while favoring an equitable redistribution of the nation's wealth through social democratic programs, the Bolivarian process's impact on regional countries increased. This development was chronicled this way:

The continued ability of President Hugo Chávez to carry out significant reforms in the face of U.S. hostility and an aggressive U.S.-supported domestic opposition has important implications for progressive Latin American struggles. Chávez's success places in doubt the view that in today's world of global capitalism it is no longer possible for Latin American and Caribbean countries to effectively resist the "free market" neoliberal order.<sup>15</sup>

### **The Continental ALBA Initiative**

The social equity rationale behind the redistributive domestic social reform programs improving the living standards of low income Venezuelans was projected in a larger continental scale through a network of multilateral exchanges, operating under the new multifaceted ALBA initiative. After quoting President Chávez stating that "[t]he only way to Peace is Justice; the brotherhood, the equality.... There will be no Peace, while there is not Justice in the world," the Venezuelan Ministry of Integration and External Commerce characterized the Bolivarian Alternative for the Americas (ALBA) as "based, fundamentally, upon a model of politic[al], economic, and social integration of countries, as the Caribbean and Latin American, which share geographic spaces, historical and cultural bonds, necessities and common potentials."<sup>16</sup> The integration inroads made since by the political alliances embodied in ALBA have angered internal and external opponents, but have also been welcomed by different actors involved in the hemisphere's political, social, and economic relations.<sup>17</sup>

Venezuela's novel regional program was inspired by Simón Bolívar, the nineteenth century liberator and political visionary, whose lasting historic legacy included freeing Venezuela, Colombia, Ecuador, Peru, and Bolivia from Spain.<sup>18</sup> Actualizing Bolívar's ideals of a unified hemisphere, ALBA pursues the integration and unity of Latin America, seeking to put in motion more than mutually advantageous commercial exchanges. Standing against giving away valuable goods and resources without

proper compensation, its avowed purpose is to promote effective and equitable social and economic development, not hand-outs.

ALBA was initially proposed at the III Summit of the Heads of State and the Government of Caribbean States, held in Isla Margarita, Venezuela, in December 2001. Planned by Venezuela in partnership with Cuba, it was joined shortly by Bolivia, and later by Nicaragua. The first official declaration and agreement were signed by Venezuela and Cuba on December 14, 2004. Before long, in a public display of solidarity and political affinity, a new strategic plan for the implementation of ALBA was approved by both countries. In the new plan the parties sought to “guarantee the most beneficial productive complementation [of ALBA] on the bases of rationality, exploiting existent advantages on one side or the other, saving resources, extending useful employment and access to markets or any other consideration.” All of this would be “sustained in genuine solidarity that will promote the strength of the two countries.”<sup>19</sup>

Under President Evo Morales Bolivia became ALBA’s third member in April 2006, and Nicaragua its fourth in 2007, soon after Daniel Ortega’s election as president. Also, the President of Haiti, Rene Preval, signed a cooperative agreement with Cuba and Venezuela at the ALBA Fifth Summit held in Barquisimeto, Venezuela, in April 2007, and since becoming president of Ecuador the same year, Rafael Correa has indicated an interest in joining the hemisphere-wide organization.<sup>20</sup>

ALBA is visionary in its conception and objectives, aiming at unifying Latin America’s continental resources and goals, seeking to turn the region into a powerhouse with commodity producers selling at advantageous prices. It has the potential, albeit distant, of transforming the hemisphere from its present inadequate economic and social reality into a more promising future. ALBA, based on cooperation and solidarity and the pursuance of human development coupled with economic sustainability, approaches commerce and investment not as ends onto themselves but as instruments to attain just and sustainable social and economic development.<sup>21</sup>

ALBA was purposely designed to stand in opposition to the Free Trade Area of the Americas, which Venezuela denounces in every possible forum as Washington’s censurable self-serving economic and commercial plan for the region. It also opposes neoliberalism, charging that it promotes unfair multinational corporations’ profit-seeking practices, built into trade liberalization and globalization policies. While still a work in progress, ALBA purposely aims at “forging a new road away from multinational competition and neo-liberal free trade, so that each [Latin American] country retains its own sovereignty and is able to develop its own country according to its own necessities and desires.”<sup>22</sup> Through a functioning network of bilateral cooperative agreements connecting the different participating countries, ALBA offers instead its own developmental alternative seeking to:

[Break] away from the economic colonization that swept across Latin America in the 90s through a wave of privatization, free trade agreements, and structural adjustment policies that pushed Latin America further into debt and increased the already aggravated inequality ratio.<sup>23</sup>

Reaching beyond its initial more limited agreement, functioning purposely in a broader political and economic operational framework, the bilateral and multilateral interactions promoted by ALBA are based on four integration principles:<sup>24</sup>

- a) *Complementary exchanges*: similar to the one agreed to by Argentina and Venezuela, trading Argentine goods for Venezuelan oil.
- b) *Cooperation*: the oil agreement between Brazil and Venezuela combining expertise in off shore oil drilling, “*mar adentro*,” with in ground oil drilling, “*tierra firme*.” Underscoring its

emphasis on regional energy integration (oil and gas), ALBA endorses Chávez's proposal of organizing PetroAmérica: uniting the resources of Venezuela's PDVSA, Argentina's ENARSA, Brazil's PETROBRAS, Colombia's COPETROL, Ecuador's PETROECUADOR, Mexico's PEMEX, Peru's PETROPERU, Trinidad's PETROTRIN, and Bolivia's natural-gas into a Latin American oil and gas cartel. This remains an unfulfilled integration project, although it would control approximately 11.5 percent of the world oil reserves; Bolivia, Brazil, and Argentina are possible candidates to eventually enter the Venezuelan proposed consortium.

c) *Solidarity*: In addition to the benefits established in the 1980 San Jose Pact, the PetroCaribe (ALBA-Caribe) program offers ten Caribbean island nations and Guyana, Suriname, and Belize, Venezuelan oil below market prices as well as financial assistance. (The 2005 program, approved on two consecutive agreement sessions held in 2004, was initially conceived jointly by Chávez and Castro.)

d) *Protecting national sovereignty*: agreements must respect national independence and self-determination rights.<sup>25</sup>

Originally, the joint declaration establishing the bases for ALBA, signed by Venezuela and Cuba on December 14, 2004, and agreed to by Bolivia in 2006, and Nicaragua in 2007, stated the following cardinal principles:

- Trade and investment should not be ends in themselves, but instruments to achieve just and sustainable development.
- Special and differential treatment that takes into account the level of development of the diverse countries and the dimensions of their economies.
- Cooperation and solidarity should be expressed in special plans for the least developed countries in the region.
- Creation of a Social Emergency Fund.
- Integrating development in communication and transportation between the Latinamerican and Caribbean countries.
- Protecting the environment while promoting sustainable development.
- Insuring the supply of stable energy to the benefit of Latinamerican and Caribbean societies following energy integration policies.
- Reducing regional dependency on foreign capital investment by promoting Latin American capital investment in Latin America and the Caribbean.
- Respecting and promoting autonomous and indigenous cultures, including the creation of a continent-wide broadcasting television station, Telesur.
- Protecting the cultural heritage and intellectual property of Latinamerican and Caribbean countries from the voracity of transnational corporations.
- Struggling for democratization and transparency in international organisms, including the United Nations.<sup>26</sup>

### **ALBA's Impact in the Americas**

The ALBA initiative, like other socially progressive regional projects, has profited from Chávez's rapid accession to continental leadership, but his highly visible towering figure has also caused a resentful backlash—sentiment reinforced among conservatives by his public closeness to Cuba. In electoral politics,

the successful contests by center-left and leftist presidential candidates in Argentina, Brazil, Chile, Bolivia, Nicaragua, Uruguay, and Venezuela in the last years were reversed in Peru and Mexico. Under conservative President Alvaro Uribe, Colombia has remained a close ally of the Bush Administration.

Peruvian President Alán García, still rated center-left by political observers, successfully ran a bitter anti-Chávez campaign against leftist presidential candidate Ollanta Humala. In Mexico, conservative PAN candidate Felipe Calderón defeated center-left opponent Andrés Manuel López Obrador, by less than one percent of the vote--after repeatedly asserting that Mexico could become “another Venezuela” if López Obrador were elected. Chávez had become a central and controversial internal issue in both elections, and García and Calderón knew how to exploit it to their advantage in negative electoral campaigning.

However, after an acrimonious exchange between Presidents Chávez and García during the Second Summit of Heads of State of the South American Community held in Cochabamba, Bolivia, in December 2006, the two leaders settled down and joined the presidents of Argentina, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Suriname, and Uruguay, in signing the Integration Model for the Twenty-first Century, and other progressive regional programs. At the time, 30,000 delegates representing indigenous and peasant organizations, and NGOs, social movements, and grass-root groups were attending the Social Summit for the Integration of the Peoples also held in Cochabamba. In three seminars during five days they discussed militarization, trade, justice, environment, agriculture, and other socially related issues, and expressed their support for regional integration proposals and processes in the American continent such as ALBA, and the Peoples Trade Agreement (PTA), between Cuba, Venezuela, and Bolivia. They also showed their opposition to FTAA, and what they saw as impositions of the World Trade Organization (WTO). Eight of the heads of state attending the Presidential Summit participated in the closing event of the Peoples Summit, but President García was not among them.<sup>27</sup>

ALBA is marking a distinct direction for Latin America. Regional leaders seeking popular support for their own change-oriented policies speak a similar reformist language. Disapprovingly, their opponents characterize their politics as ill-founded populism. Evidently, reformist leaders support the idea that when “[t]he common person’s interests are oppressed or hindered by the elite in society...the instruments of the state need to be grasped from this self-serving elite, and used for the benefit and advancement of the people as a whole.”<sup>28</sup> This central idea has been dominating Latin America for some time now. “From Venezuela to Argentina many of the traditional parties that built dynasties through patronage and hard-knuckle politics are disintegrating....Latin Americans have grown frustrated with Washington-backed economic prescriptions like unfettered trade and liberalization.”<sup>29</sup> Simplifying a complex socioeconomic and political question, some observers dichotomize the process as a battle for the future “between liberal democrats--of left and right--and authoritarian populists.”<sup>30</sup> As a whole it appears as a continent laboriously engaged on its own fulfillment, hoping that realizing long-held aspirations could finally be possible, perhaps even certain.

**ALBA and Havana-Caracas.** Commemorating the 180<sup>th</sup> anniversary of the historic Battle of Ayacucho, the invitation issued by Bolivar for the *Anfitriónico* Congress of Panama (1826), and the 10<sup>th</sup> anniversary of Chávez’s first visit to Cuba, he and Castro signed the 2004 joint declaration towards the creation of ALBA. It fostered the integration of both countries under the new program, thereby formalizing a comprehensive collaborative exchange that was going to grow rapidly in a few years--setting the stage for future ALBA projects in the region. Before the founding ALBA joint declaration, in 1999 Cuba and Venezuela had already agreed to cooperate in operating the island’s Soviet-made Cienfuegos refinery,

which was unused but could refine 76,000-barrel-per-day of oil.

Promoting common solidarity principles, but recognizing systemic differences and Venezuela's membership in international bodies Cuba does not belong to, the agreement covers mutually convenient exchanges of goods and services. It includes making available over 20,000 Cuban doctors to the *Barrio Adentro* Mission and the Bolivarian University (some estimates place it at 30,000 physicians), the training of new doctors and scientists, and support for Sucre Mission participants planning to study medicine; and working together with other countries eradicating illiteracy in the hemisphere. It establishes technological exchanges; cultural and educational programs and scholarships; increasing commerce and organizing credit, financing, and payments; eliminating custom fees and taxation for joint ventures; state (and private from Venezuela) investment in each other's country; and providing transportation and aviation facilities.<sup>31</sup> It also agrees to set Cuban imports of Venezuelan oil (90,000 barrels per day since 2006) according to prevailing international prices, but never below \$27 per barrel of oil--in anticipation of a possible downfall in the price of oil.<sup>32</sup>

Creative political thinking has been involved in arranging the Venezuelan oil coming to Cuba, and other bilateral exchanges. While highly beneficial to both countries (mostly politically and socially to Venezuela, and economically to Cuba), the multiple Cuba-Venezuela exchanges are a primary example of Chávez's professed objective (which is welcomed by Cuba) of bypassing the U.S. dollar in regional trade and solidarity relations:

Venezuela has bypassed the dollar by establishing non-monetary barter deals for its oil with over a dozen Latin American and Caribbean countries. [It] has called on the other OPEC nations to reach similar accords. One such swap agreement involves Venezuelan oil in exchange for the presence of some [20,000] Cuban doctors, who have set up shop and work free of charge in impoverished areas throughout the nation.<sup>33</sup>

The 2000 *Convenio Integral de Cooperación de Salud*, Cuba-Venezuela (Cuba-Venezuela Cooperation Agreement on Health), has achieved great results, improving the health of seriously ill Venezuelans. Besides the major medical solidarity program bringing readily available first rate medical assistance to the poorest Venezuelan barrios, Cuban medical personnel and facilities also welcome Venezuelans traveling to the island for specialized medical treatment--over 100 health flights took place in the first three years of the program.

The entire program is free. Not just for the patients but for Venezuela. Venezuela pays for the weekly flight to and from the island, for the approximate 75 patients and their companions (almost every patient is accompanied by someone) each way, plus the cost of the four Cuban doctors working with the *Convenio* in Miraflores (presidential palace in Caracas) and some equipment on the island. The rest is all covered by Cuba: The treatment, hotels, hospitals, food, doctors, nurses, and in-country transportation. Everything is covered by Cuba. What does Cuba get in return? "Our friendship" says [Jhonny] Ramos [director of the *Convenio*], who travels to Cuba every couple of months and speaks with his people there daily. According to Ramos, when President Hugo Chávez brought the first eight Venezuelan children to receive treatment on the Caribbean island, Fidel Castro stated, "We cannot charge for this," and so the portion of the *Convenio* which sends patients [needing specialized care for serious illness] to be treated in Cuba was set aside from the rest of the agreement.<sup>34</sup>

ALBA's solidarity and assistance programs have grown steadily under Cuban and Venezuelan joint

leadership, highly needed specialized medical services are being provided to more regional countries, now including African nations too:

*Operación Milagro* (Operation Miracle) [is] offering free eye surgery to people unable to afford it for cataracts, glaucoma, diabetes and other vision problems. It began in 2004 as a joint Cuban-Venezuelan effort to bring Venezuelans by air to Cuba cost free for operations. Within two years 28 countries of Latin America and the Caribbean were participating, and operations restoring their sight numbered 485,000 of whom 290,000 were Venezuelans. Jet liners loaded with patients come and go from Havana every day, but by early 2007 thirteen modern eye clinics were being built in Venezuela and several had already performed thousands of operations there. Other clinics were being established in Bolivia, Ecuador, Guatemala, Honduras, and Haiti, all with Cuban planning and staffing. The ten year goal of *Operación Milagro* is to restore sight to 6 million people of Latin America and the Caribbean, and the program is expanding to Africa.<sup>35</sup>

**ALBA and Bolivia's Evo Morales.** Supported by Chávez and Castro, Bolivia's Evo Morales' 2005 presidential electoral victory was a major success story. A former coca growers union chief, he was the first indigenous leader elected president of the country in over a century. It was chronicled that during presidential inauguration day: "It was exactly 13 minutes after 2 p.m. in La Paz on January 22, 2006, when Evo Morales shed his first tears of the afternoon, and with him, cried all of Bolivia. In that instant, the new Vice President of the nation... was laying upon him the Medal of the Liberator, the maximum symbol of republican power [in Bolivia]."<sup>36</sup>

Two weeks after the elections, Morales went on a victory tour with Havana and Caracas as the first two stops. Morales signed cooperative agreements in Cuba in health, education, and sports --which are being actively carried out. In Venezuela, he autographed cooperative arrangements covering energy (diesel fuel), education, and health, which served as a prologue for the wide assistance being delivered to La Paz by the Chávez government. The signing ceremony of the cooperative agreements in Caracas was broadcast by Telesur, the hemisphere-wide, noncommercial television network set up by Venezuela together with Cuba, Argentina, and Uruguay in 2005, broadcasting anti-U.S. hegemony programming.<sup>37</sup> Furthermore, a year after Castro and Chávez had signed the ALBA agreement, Morales joined both leaders in Havana's Revolution Square. In front of 25,000 supporters they celebrated Bolivia's becoming ALBA's new member, at the time the third country to do so. Rejecting Washington's FTAA, Morales had opted for ALBA. "In Cuba and Venezuela we find unconditional solidarity. They are the best allies for changing Bolivia," said Morales. "There are now three of us to defend the peoples of Latin America." Castro joined in the celebration stating, "[this] makes me the happiest man in the world."<sup>38</sup> When Venezuela announced it was leaving the Andean Community of Nations (CAN), following the trade agreement signed by Peru and Colombia with the U.S., Morales proposed turning CAN into the Anti-Imperialist Community of Nations.

Morales had been characterized as "Washington's worst nightmare"--the U.S. threatened to cut off aid if Morales was elected president, and it cancelled military assistance.<sup>39</sup> The Morales Administration charged Washington with interference in its internal affairs after Nicholas Burns, U.S. Under Secretary of State, advised La Paz to stay away from Havana and Caracas and to join "Washington and the dominant current in Latin America."<sup>40</sup> The energy agreement between Caracas and La Paz signed at the Fifth ALBA Summit in 2007 was one of many programs providing financial assistance to Bolivia's army, cattle ranches, soybean cultivation, microfinance projects, urban sanitation, the oil industry, and helping to increase

domestic coca production.<sup>41</sup> In response to the negative reaction by domestic and external opposition to the economic, social, and cultural changes taking place in the country under the new administration with ALBA's support, the government called the peasants and other indigenous groups to ready themselves to defend the regime with arms if necessary.<sup>42</sup>

Elevating the recognition of President Morales' accomplishments to a world-wide stature, announced by the son of Ecuadorian painter Osvaldo Guayasamín, regional social movements and indigenous groups are promoting Morales' candidacy for the Nobel Peace Prize—a credit not just to him and Bolivia, but to the growing ascendancy and political activism by indigenous groups throughout the continent. Meanwhile, while the new Bolivian constitution is to be finalized by the summer of 2007, President Morales is calling for cutting short his current term and holding presidential elections under the new charter in 2008 (with him as a candidate), rather than waiting until 2010.<sup>43</sup>

**Mercosur.** At the Fourth Summit of the Americas held in 2005 in Mar del Plata, Argentina, closing ranks with Venezuela, the founding members of Mercosur (Common Market of the South) (Argentina, Brazil, Uruguay, and Paraguay) prevented the revival of FTAA sought by the Bush Administration. Contrary to Mexican President Vicente Fox's efforts in favor of FTAA, and the other twenty-eight countries that voted along with Washington, the Venezuela-Mercosur group opposed holding more meetings to "examine the difficulties in the FTAA process" in order to overcome them. In their joint position, they maintained that,

[T]he necessary conditions are not yet in place for achieving a balanced and equitable free trade agreement with effective access to markets free from subsidies and trade-distorting practices, and that takes into account the needs and sensitivities of all partners, as well as the differences in the levels of development and size of the economies.<sup>44</sup>

After the success achieved at Mar del Plata, Chávez had ALBA-like plans for Mercosur (working as a multifunctional customs union, the powerful regional trade bloc was established by the Treaty of Asunción in 1991). Seeking to expand ALBA's message and impact in the region, after joining Mercosur in 2006, working together with Bolivia (an associate member aspiring to full membership), Venezuela attempted to transform Mercosur. While Bolivian President Evo Morales asked for "profound structural reforms in the organization," Chávez sought to "decontaminate" Mercosur of neoliberalism, the trade bloc's organizing principle since its inception. Asking to rectify its principles and objectives, Chávez stated: "we need a Mercosur that prioritizes social concerns...that moves farther away from the old elitist corporate models of integration...[which look] for financial profits, but forget about workers, children, life, and human dignity."<sup>45</sup>

**Banco del Sur.** Continuing working the region within a broad ALBA policy framework, Chávez is pursuing the *Banco del Sur* (Bank of the South)--a development bank funded and managed by Latin American countries for themselves. The plan involves putting a portion of their own foreign reserves into a common capital fund, which would allow the Bank of the South to make developmental loans to regional countries, without traditional strings attached. It would also help Latin Americans pay their debts to the IMF and other international lenders, and provide assistance to cooperatives and medium size business. Started as a Venezuela-Argentina initiative, it built upon the historical experience of Buenos Aires freeing itself of its sizable IMF debt.<sup>46</sup>

The initial preparatory meetings for *Banco del Sur* included Brazil, Bolivia, Ecuador and Paraguay. Brazil's confirmation of joining the bank added considerable weight to the ambitious, novel plan.

Anticipating withdrawing his country from having more business with the IMF (probably at a hefty monetary price), Chávez approached the *Banco del Sur* as a long overdue instrument in the quest for Latin American financial and political independence from U.S.-dominated international lending institutions.<sup>47</sup>

**ALBA and Buenos Aires-Caracas.** By 2006 there was ample evidence that Chávez and ALBA were having an impact in the region. Departing from Latin America's paralyzing debt-ridden tradition was the surprising financial decision by Argentine President Néstor Kirchner. Recovering from the 2001-2002 crisis, rejecting IMF approved Washington Consensus directives, after rising national commodity prices achieved 8.6% economic growth in 2005, Argentina cleared its IMF debt in one lump sum, totaling \$9.8 billion--the deal became possible by Venezuela purchasing \$1.5 billion in Argentine bonds. Argentina accused the IMF of abandoning it during the economic crisis, and still gave President Bush the lowest approval rating in the region, 6 percent in 2006. Thus ended the country's relationship with the Fund, calling off further bilateral negotiations, including monetary policy and utility rates. Argentina, however, still owes billions of dollars to private lenders.<sup>48</sup>

Chávez has characterized his cooperative and friendly relationship with Kirchner as a "Caracas-Buenos Aires axis." By the end of their transactions, Venezuela had purchased Buenos Aires bonds twice, totaling over \$2.5 billion of Argentina's debt, demonstrating a commitment that rivaled the IMF and the United States, which was charged with ignoring the region under President Bush.<sup>49</sup>

The future of the Kirchner Administration and the viability of the Caracas-Buenos-Aires axis (and major projects like *Banco del Sur* and a joint \$1.5 billion bond issue, or minor ones like \$135 million to help finance an Argentine dairy cooperative) took an unexpected turn when the Argentine leader announced that he was not running in the presidential elections of October 2007, but that he instead would support the candidacy of his wife, Senator Cristina Fernández de Kirchner, for president. Reportedly, President Kirchner's decision "to step aside in favor of his wife [was] seen as a maneuver [allowing them] to take turns running the country for a dozen of years."<sup>50</sup> Likened to Bill and Hillary Clinton, the Kirchners enjoy a comfortable lead over their political opponents, including former economic minister Roberto Lavagna, who engineered the recovery from the country's 2001-2002 economic crisis.

**ALBA and Ecuador and Nicaragua.** Helping neighboring countries solve economic problems has not weakened Caracas' financial assets, according to the president of the Venezuelan Central Bank. The country's economic growth in 2005 reached 9.4%, and the balance of payment surplus was under \$5 billion (3.6% of the Gross Domestic Product, GDP), with \$28.9 billion in foreign currency reserves in 2006. It also had one of the lowest inflation rates in recent years, 15.3% (down from 19.2% in 2004), but still one of the highest in Latin America.

Venezuela's strong economic record, with oil revenues valued at \$50-60 billion annually, permitted Chávez to play a crucial role in aiding regional countries, including pursuing policies independent from, or contrary to Washington's.<sup>51</sup> But not all Chávez supporters agree with using the country's money to help others. Speaking for himself and probably for others, a 71 year old retiree who otherwise backs the government, said that "Chávez should take care first of his own house before taking care of others."<sup>52</sup> Moreover, recent lower global oil prices and production and management problems at the national oil company, PDVSA, could seriously affect the nation's finances in the near future: "income from oil exports may decline by about 24 percent in 2007, to \$45.6 billion compared with \$60.4 billion [in 2005]." Still, undaunted by such bleak prospects, Chávez stated during a recent visit to Nicaragua: "Oil is going straight to \$100 [per barrel]; no one can stop it."<sup>53</sup>

Financed by Venezuela's windfall from years of high oil prices, ALBA's, and Chávez's, influence continued expanding in 2007, to the chagrin of the IMF and other international lending institutions. A financial assistance offer of \$500 million made to the newly elected president of Ecuador, Rafael Correa, would help restructure the country's external debt, while sending a Venezuelan tanker carrying 220,000 barrels of diesel fuel, part of a fuel swapping deal, would save Ecuador millions of dollars in foreign exchange.<sup>54</sup>

New aid programs signed with President Daniel Ortega in Caracas expanded the offer made earlier of forgiving more than \$30 million in Nicaraguan debt. A new development bank office in Managua will offer loans to small businesses, and more than two dozen generating plants will alleviate the country's energy crisis. Also, an oil refinery and a pipeline, running from the Caribbean to the Pacific to transport crude oil destined to China and Japan, were seriously considered. A jubilant Chávez stated to a grateful Ortega, "Nicaragua can forget about fuel problems."<sup>55</sup>

**ALBA and the U.S. Poor.** ALBA also reached the United States, helping low income families at a critical moment. In cities in seven states (Maine, Massachusetts, Pennsylvania, Delaware, Vermont, Connecticut, and Rhode Island) poor Americans could buy 17 million plus gallons of oil at steep discount prices and heating fuel at 40 percent discount in the winter of 2006 (26 percent was the expected increase for home heating fuel), thanks to Chávez. He decided to do this during his visit to the United Nations in the fall of 2005, after learning that destitute Americans would face a very cold winter.

Using the Venezuelan owned Citgo gas stations (14,000), Chávez's U.S. social program became a reality. An American homeowner, who had received 200 gallons of free oil and could buy heating oil at subsidized prices, stated: "All I can say is thank God for him for being able to help me and some others get oil....It is time somebody started thinking of the little guy." Low income American families living in northeastern cities had been won over, despite Chávez's antagonism toward Bush.<sup>56</sup>

Chávez's petro-diplomacy gesture was successful, drawing an appreciative response from Americans angered by the price of gasoline and gas. "Applause and cheers welcomed the Citgo truck as it pulled up at a South Bronx curbside one icy morning. The 9,500-gallon tanker was on a mission for one of the Bush administration's most stubborn adversaries in the Western Hemisphere, but the crowd didn't seem to mind....Venezuela's leftist president, Hugo Chávez, was making good on his promise to help some of New York's poorest residents get through a winter of record-setting oil prices."<sup>57</sup> Also, Chávez was sending a message to Bush: Washington should remedy social inequities at home.<sup>58</sup> Acknowledging its public relations impact, the humanitarian and politically advantageous initiative, helping American northern and northeastern low-income population sectors, was expanded and implemented by Chávez in the winter of 2007, and probably in more winters to come.

### **Chávez's Domestic Social Missions**

Before ALBA was launched, with Chávez's vigorous diplomacy fostering his influence in the region, the Bolivarian process had made available to needy Venezuelans comprehensive domestic programs through socioeconomic missions. Former President Jimmy Carter, after witnessing the benefits accrued to poor citizens, stated on Venezuelan television: "I have just had one of the most wonderful meetings I've ever had in my life, with leaders of the people." Carter was told by one man that "there were 200,000 people living in his neighborhood, and that until now he had never seen a doctor."<sup>59</sup> Chávez explained that Carter was referring to Mission *Barrio Adentro* (Into the Heart of the Shanty Town), a 2003 health program expanding the work of 59 Cuban doctors that had arrived in Caracas earlier. Approximately 20,000 to

30,000 Cuban physicians and health care personnel are participating in the Bolivarian mission benefiting approximately 17 million Venezuelans.<sup>60</sup> Cuba has even refused payment for shipments of medicines destined to Mission *Barrio Adentro*:

For over 40 years [stated Chávez] the people living in these neighborhoods had never had a doctor. When they were sick they went to a [public] hospital; some died waiting for attention, women gave birth on the floor, children died of asthma and diarrhea. Now they have doctors. . . . [They] have swift access, within an hour, to a doctor. Furthermore, the doctor comes with medicines; they don't have to buy [them].<sup>61</sup>

The different social missions developed by the Bolivarian revolution in only few years, include *Barrio Adentro* (health) already mentioned, Robinson (literacy campaign), Ribas (education for young school dropout adults), Sucre (complementary schooling preparing for college), *Vuelvan Caras* (helping the unemployed), *Identidad* (voter registration expanding political participation), Zamora (protecting peasant welfare), Piar (assisting mining communities), Guacaipuro (aiding indigenous population), and Mercal (building and operating supermarkets).<sup>62</sup> The *Mothers of the Barrio* mission was announced in 2006. Its social objectives covered three areas demanding special attention: lowering drug use among young people, fighting unintended pregnancies in young girls, and offering aid to mothers living in extreme poverty.<sup>63</sup> The welfare benefits continue. Poverty dropped from 47 percent to 37 percent between 2004 and 2005, and extreme poverty decreased from 17.1 percent (1997) to 13.3 percent, according to Chávez. The government declared that "all of the country's social missions combined would be considered the 'Christ' mission, whose aim is [to] eradicate poverty by the year 2021."<sup>64</sup> Anticipating such a sought after outcome, the National Institute of Statistics announced in June 2007 that the unemployment rate had reached its lowest level in more than a decade, 8 percent--the number of the unemployed had been reduced in the last twelve months by 240,572. However, out of a total work force of 12.1 million, 973,375 were still out of work.<sup>65</sup>

### **Opposition to Chávez and the Bolivarian Process**

All along, Chávez has faced powerful political antagonism internally and externally against his presidency and the Bolivarian process, including ALBA. Domestically, the opposition entailed a broad coalition made of business and industrial corporations (represented by FEDECAMERAS), active and retired military officers, conservative trade unions, traditional political parties, and the management, trade union leadership, and workers at the economic oil giant, the *Petróleos de Venezuela Sociedad Anónima*, PDVSA (the bedrock of the nation's wealth, it was reorganized in 2003). Also, it included middle class and especially upper class protesters, privately owned media (television and newspapers), and new political groups like *Súmate*.

The opposition has systematically rejected Chávez's proposals, including the new constitution approved in 1999. With Washington's support, it has attempted to oust Chávez by legal and illegal means: it launched a coup in 2002, forced a general strike and oil industry shutdown from December 2002 to February 2003, and finally held a recall referendum in 2004. After losing consecutive elections, the opposition decided to boycott the 2005 legislative elections shortly before they were held, which gave Chávez total control of the National Assembly. Signaling political fatigue among Chávez opponents following their defeat in the 2004 recall referendum, their political support dropped significantly, from 30-40 percent to approximately 15 percent.<sup>66</sup> This explains the ill-advised decision to boycott the 2005 elections, which was then corrected in the 2006 presidential election, only to have their candidate defeated

again by Chávez.

Serious ideological discrepancies, socio-economic differences, and other factors have motivated the opposition to President Chávez. In a short period, at times with external support, the opposition engaged in militant offensive actions.<sup>67</sup> The Bolivarian socioeconomic programs, reversing social inequities with policies redistributing wealth and controversially tinkering with established political practices, hurried the growth of the opposition, prompting it into action. The “protagonist society” set up in the 1999 Constitution (fostering popular political participation); initially setting aside Congress and the Supreme Court; the arrival of Cuban doctors after the flooding that devastated low income neighborhoods; and the 49 laws approved in 2001, creating many of today’s social missions, galvanized the opposition.

Founded in 2003 by Maria Corina Machado and Alejandro Plaz, the opposition group *Súmate* was charged with receiving \$53,400 from the National Endowment for Democracy for “electoral education.” Machado was charged with signing with other Chávez opponents a “decree that would fleetingly transform the fragile democracy into a dictatorship.”<sup>68</sup> In a public display of Washington’s support to the anti-Chávez movement, Machado was received in private audience first by Secretary of State Rice, and later in the White House by President Bush.<sup>69</sup>

While some Latin American countries like Peru, Mexico, and Costa Rica have accused Chávez of intervening in their domestic affairs or had other complaints about his politics or ideological stance, externally the main opposition has come from Washington. The Bush White House made its disapproval of Chávez known. The U.S. anti-Chávez position runs a wide spectrum of overt and covert actions, including allegedly supporting the 2002 coup that ousted him briefly, promoting opposition groups and providing them with support in multiple ways, systematically attacking Caracas in a variety of forums, and other actions. Washington sees him domestically troubling, and promoting anti-American sentiment as well as being too close to Castro.<sup>70</sup> Trying to turn Washington’s position into hemispheric policy backfired, however. Bush’s proposal “to establish a permanent committee [mechanism] of the Organization of American States [OAS] that would monitor the exercise of democracy [power] in the hemisphere,” was rejected by major Latin American countries. The plan’s anti-Chávez intent was too obvious. The Brazilian foreign minister, Celso Amorim, told Secretary of State Condoleezza Rice: “Madam Secretary, democracy cannot be imposed.”<sup>71</sup> (A Venezuelan government official claimed success, however, as eight of their proposals were approved at the time by the OAS.)<sup>72</sup> Evaluating Washington’s Venezuela policy, some experts “worry that the road the U.S. is traveling looks very much like the one that resulted in [what they see as] America’s self-destructive Cuba policy.”<sup>73</sup>

Still, while speaking at the Naval War College in the summer of 2007, President Bush found a sympathetic audience to his reproofing of two neighboring nemeses, Castro and Chávez. First, he said, “One day the good Lord will take Fidel Castro away.” After laughs and clapping from the audience “at what seemed to be a wink from Mr. Bush,” he added, “we need to use the opportunity to call the world together to promote democracy as the alternative to the form of government they have been living with.” Not wanting Chávez to miss an equal opportunity scolding, without mentioning his name, Bush said, “In the neighborhood there is a person who is undermining a democracy. And therefore we need to be concerned about the loss of democracies in our neighborhood.”<sup>74</sup>

Some Chávez’s critics have charged him with spending oil money to extend his influence into the region (with projects like ALBA and others), hence paying an excessive price for his own ambitions.<sup>75</sup> In Foreign Affairs, Michael Schifter writes that Chávez has an “autocratic streak, no viable development

model, and unsettling oil-funded aspirations to hemispheric leadership.” While “to his most ardent backers...Chávez is a hero driven by humanitarian impulses to redress social injustice and inequality...to his opponents [he] is a power-hungry dictator who disregards the rule of law and the democratic process.”<sup>76</sup> Noting contradictory responses to the Bolivarian process, Schifter comments on the reactions of detractors and supporters upon the shutting down of a collapsing bridge connecting the airport with Caracas, “Chávez’s opponents accused him of wasting the country’s oil bonanza on politically driven projects abroad while neglecting infrastructure at home. His supporters, in turn, charged the traditional elite that governed before him with squandering resources and ignoring fundamental needs for decades.” Adding caustically, “In fact, both sets of charges....were right.”<sup>77</sup>

Indicating an insightful view of current Venezuelan politics, distinguishing rhetoric from actions, former U.S. ambassador to Venezuela under President Clinton, John Maisto, has “discouraged searching for significance in Chávez’s bombastic, sometimes bizarre, public appearances.” Adding, “Watch what Chávez does, not what he says.”<sup>78</sup> Another observer noted, “Chávez is not just a clown with some oil money in his pocket. He is a deliberate strategic thinker ham-fisted at times, but also capable of tactical brilliance.”<sup>79</sup> Political observers who have followed Chávez’s political career, after seeing him survive one attack after another, and continue winning elections after elections by increasing margins, tend to agree with such assessment.

However, New York Times columnist Thomas L. Friedman writes on the first law of “petropolitics,” linking Chávez critically to Iran, Nigeria, and Russia. The “price of oil and the pace of freedom always move in opposite directions,” asserts Friedman. He juxtaposes graphs measuring the price of oil and the exercise of freedom, as defined by Freedom House, showing when the price of oil goes up freedom comes down<sup>80</sup> “When [Chávez] told [the] British Prime Minister. . .to ‘go right to hell’ . . .and the U.S.-sponsored Free Trade Area of the Americas [to] ‘go to hell,’ too, I . . .wondered if [he]. . .would be saying these things if the price of oil today were \$20 a barrel rather than \$60 a barrel.” Also, “Vast oil profits are permitting disturbing practices in Venezuela and other countries, where the price of oil went up and freedom has suffered,” says Friedman<sup>81</sup>

The Human Rights Watch’s 2006 World Report gave a negative account of Venezuela. After “winning a national referendum...in 2004, Hugo Chávez...[has] taken steps to undermine the...judiciary... [and] enacted legislation that seriously threatens press freedom and freedom of expression.” The Report also denounces the United States: “[its] government has been widely condemned for violating basic human rights in the fight against terrorism... [and] has authorized interrogation techniques widely considered torture....And [is] the only government in the world. . .[seeking] legislative sanction to treat detainees inhumanely.”<sup>82</sup>

Caracas and Washington were both negatively rated, noting how removed from ideals of human rights excellence actual political practices can be. In Venezuela, however, for the last eight years a social transformation process has taken place while five multiparty, competitive elections and a recall referendum have been held, including the 2006 presidential elections. This is not to say that Chávez is blameless, sometimes his public demeanor, and statements concerning both national and international opponents could definitely be tempered.

### **Chávez and Twenty-first Century Socialism**

Chávez’s opposition accuses him of planning to turn the country into another Cuba. The close association between Havana and Caracas is noted as proof. While the partnership is real, its true meaning is

misconstrued. Chávez's call for twenty-first century socialism is not a repeat of Cuban socialism. His socialist vision anticipates vaguely a system "based in solidarity, in fraternity, in love, in justice, in liberty and in equality." To Chávez, this is not a pre-defined socialism, nor the type of state-socialism practiced in the Soviet Union and the Soviet bloc, the People's Republic of China under Mao, or even Cuba today. He seeks to "transform the mode of capital and move towards socialism, towards a new socialism that must be constructed every day."<sup>83</sup>

While considering possible new directions, emulating Cuban socialism is not a preferred choice to most Latin Americans. President Chávez's support for twenty-first century socialism, and the founding of a socialist political party uniting the progressive political forces supporting him are not aimed at copying the Cuban model. However, recognizing the island-nation's social achievements, its long struggle against some of the same forces opposed in the region, and the awareness that Havana has been the target of their punitive actions, has elevated Cuba's standing in the continent, particularly amongst *Chavistas* (Chávez supporters).

A strong admirer of Castro and Cuban socialism (particularly its social record), Chávez's so far imprecise form of socialism still carries with it a criticism of hitherto socialist modalities (i.e., though historically significant, the Cuban socialist model might not be effectively emulated today). During the 2005 May Day celebration, with no details given but revealing his yearning for a socialist ideal, Chávez said, "It is impossible that we will achieve our goals with capitalism, nor is it possible to find an intermediate path...I invite all of Venezuela to march on the path of socialism of the new century. We must construct a new socialism of the 21<sup>st</sup> century."<sup>84</sup>

After his reelection in 2006, Chávez started more intently to move Venezuela in a socialist direction.<sup>85</sup> In addition to nationalizing important economic sectors (telecommunications, electricity, some foreign petroleum projects, and possibly banking),<sup>86</sup> most members of the coalition of political forces that have supported him since 1998 were grouped under the newly organized United Socialist Party of Venezuela (some of them refused to join the new political structure). Elsewhere in the hemisphere, after ambivalent years towards a socialist alternative, acceptance was moderately advanced by Bolivia's Evo Morales and his Movement Towards Socialism electoral victory in 2005. However, future developments in Ecuador under President Correa, remain to be seen. The question is whether he will be able to stir the country in a left-ward direction if his proposed new constitution becomes a reality.

## **Conclusions**

The political debate in Venezuela has not been carried out under normal conditions. The country was not a fine democracy after 1958 (following the *Punto Fijo* agreement). An ugly socioeconomic and political existence was covered up, and Chávez's Bolivarian process is engaged in replacing it with a socially equitable order. Whether the end product would be socially, politically and economically democratic should be the standard used to evaluate such a social transformation process. Likewise, an ambitious autochthonous continental project like ALBA, seeking to reverse the prevailing bleak assessment of the region's future and replacing it with a new structure truly improving the countries' economies and the people's living standards, should be evaluated for its efficacy and the efficiency and fairness of its exchanges and programs to the countries and peoples involved.

ALBA and the "Chávez effect" have been felt throughout the region. Enlarging "political space for everyone else," the political pendulum was moved left-ward against strong opposing reaction.<sup>87</sup> In countries having a gulf separating rich and poor, ignoring their social inequities; anti-establishment and

leftist presidential candidates have contested conservative and moderate opponents. However, there were cases when electoral success became doubtful once the antagonists gained the upper-hand, and then managed to prevail at the end (Peru and Mexico).

Despite important steps taken institutionalizing ALBA, including a structure with a ruling presidential council, a ministerial council, a secretariat and organizational agencies, five executive summit sessions, and the joint enterprise ALBA-*Tratado de Comercio de los Pueblos* (Commerce Among the Peoples Treaty), ALBA-TCP, there is still heavy reliance on Chávez's persona and leadership decisions. Moreover, the driving force behind ALBA and other projects is Venezuela's current windfall from the inflated price of oil. However, there have been ups and downs for oil-based economies like Venezuela's in the past, always subject to the vagaries of the market. ALBA's uncertain long-term financial power should give pause to its members, and to countries contemplating joining it. But its record in just a few years is remarkable. The extent of the connections already operating successfully probably seemed unreal just a few years back. Particularly, if in addition to ALBA's integration agreements other projects undertaken by Venezuela are considered. They stretch from multiple exchanges with Cuba, to bilateral and multilateral interactions with Bolivia, Argentina, Haiti, Ecuador, Uruguay, Nicaragua, to PetroCaribe (Antigua and Barbuda, Bahamas, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Vincent and the Grenadines, St. Lucia, St. Kitts and Nevis, and Suriname), to Telesur, *Banco del Sur*, and Mercosur, and after having joined the latter, together with Bolivia, pressing it to undertake social equity and responsibility as main objectives.

ALBA's official website (*Portal ALBA*) lists fourteen agreements from 2004 to 2007 involving Venezuela, Bolivia, Nicaragua, Guyana, and Cuba, Haiti, and other Caribbean island-nations; four bilateral agreements including Venezuela, Uruguay, Brazil, and Argentina; and seven additional agreements and commitments involving Venezuela, Argentina, Brazil, Cuba, Paraguay, Bolivia, Colombia, Guyana, Ecuador, Peru, Suriname, Spain, and Mercosur.<sup>88</sup>

Altogether, the record comprises an impressive number of regional integration agreements achieved by ALBA's collaborative interactive initiatives. The evidence shows an ambitious and dynamic political and diplomatic force at work in the region. Evidently, ALBA is not resting and neither is Chávez. They are committed to a socially equitable continental integration undertaking in a region known for its unequal social order, where decisions are traditionally made based on U.S. dictates and approval. In their historic quest, ALBA and Chávez are struggling against the forces behind FTAA, including the White House, the IMF, the Washington Consensus, and the neoliberal rationale behind a complex institutional, financial, and policy structural network.

Today neoliberalism is being increasingly rejected as the right approach in a continent needing to fulfill economic growth, political development, and social equity, an overdue agenda. And yet, what the post-Washington Consensus or post-neoliberal era would be is not entirely clear. The region appears as a contradictory mix, with some countries starting to pay more attention to people's needs like education and social services--no matter how inadequately--, while others unabatedly enforce neoliberal policies. Demonstrating a commitment to social democracy with an unusual downward redistribution of national revenues and resources, Chávez has delivered social missions covering a wide spectrum of social needs, correcting in the process years of neglect and abuse of the poor, marginalized Venezuelan masses. Presently, however, he is moving towards his vision of bringing twenty-first century socialism to his homeland—still poorly defined, but expected to be humanistic, democratic, and not centralized or state-

controlled. Its fate remains unclear, which makes its eventual continental acceptance rather doubtful-- Bolivia and Ecuador could be considered favorable but remote candidates, with the former more receptive than the latter. However, this does not diminish the importance of ALBA's main objectives: to free a continent from its bondage to mostly U.S. controlled international financial lenders, and their investment and trade policies. While the campaign against FTAA is not over, given the impetus demonstrated by ALBA while carrying out integration programs, its objectives appear to be more than a promise. Actually, a new, tangible socioeconomic reality is being created (bringing life to Bolivar's dreams of a united Latin America), which might surprise even the most skeptical student of the hemisphere's affairs.

## ENDNOTES

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- <sup>1</sup> “The Free Trade Area of the Americas (FTAA)...was a proposed agreement to eliminate or reduce the trade barriers among all countries of the American continent [excluding Cuba]....[O]fficials of 34 nations met in Mexico on November 16, 2003, to discuss the proposal. The proposed agreement was an extension of the North American Free Trade Agreement (NAFTA) between Canada, Mexico and the United States. Against [FTAA] were positioned Cuba, Venezuela, and later Bolivia...and Nicaragua, in the Bolivarian Alternative for the Americas [ALBA] in response....Talks began with the Summit of the Americas in Miami on December 11, 1994....The last summit was held at Mar del Plata, Argentina, in January 2005 , but no agreement on FTAA was reached. 26 of the 34 countries present at the negotiations [were] pledged to meet again in 2006 to resume negotiations....A vocal critic of the FTAA is Venezuelan president Hugo Chávez, who has described it as an ‘annexation plan’ and a ‘tool of imperialism’ for the exploitation of Latin America. As a counterproposal for this initiative, Chávez has proposed the Bolivarian Alternative for the Americas (ALBA), based on the model of the European Union, which makes emphasis on energy and infrastructure agreements that are gradually extended to other areas finally to include the total economic, political and military integration of the states. Also, Evo Morales, has referred to the US-backed Free Area of the Americas, as ‘an agreement to legitimize the colonization of the Americas’....[T]he presidents of Brazil, Luis Inácio Lula da Silva, and Argentina, Nestor Kirchner, have stated that they do not oppose the FTAA but they do demand that the agreement provide for the elimination of US agricultural subsidies, the provision of effective access to foreign markets and further considerations towards the needs and sensibilities of its members...The failure of the Mar del Plata summit to set out a comprehensive agenda to keep FTAA alive has meant that there is little hope for any real progress to be achieved in the foreseeable future.” Free Trade Area of the Americas, [Wikipedia](#) (On Line), 14 June 2007. Also, see Eric Fansworth, “FTAA Delayed, not Over,” [Council of the Americas](#), December 2005; “Wither the FTAA?,” [Guyana Chronicle Newspaper](#), December 2005. “The Washington Consensus is a phrase initially coined in 1987-88 by [Peterson Institute economist, and IMF Advisor, 1972-74] John Williamson to describe a relatively specific set of ten economic policy prescriptions [i.e., fiscal discipline, tax reform, trade liberalization, privatization of state enterprises, abolition of regulations that impede market entry or restrict competition, legal security for property rights, and others] that [Williamson] considered to constitute a ‘standard’ reform package promoted for crisis-wracked countries by Washington based institutions such as the International Monetary Fund, World Bank, and U.S. Treasury Department. The term “Washington Consensus” has since acquired a secondary connotation...broadly associated with expanding the role of market forces and constraining the role of the state, sometimes also described (almost invariably pejoratively) as neoliberalism.” Washington Consensus, [Wikipedia](#) (On Line) (as modified on 30 June 2007). Also, see Washington Consensus, [Global Trade Negotiations](#) (Center for International Development at Harvard University) (On Line) (as modified in April 2003).
- <sup>2</sup> For a critique of IMF policies and globalization, see Joseph E. Stiglitz, [Globalization and its Discontents](#) (New York: W.W. Norton, 2002); and George Soros, [George Soros on Globalization](#) (Oxford, UK: Public Affairs, 2002).
- <sup>3</sup> K. Weyland, “Assessing Latin American Neoliberalism: Introduction to a Debate,” and E. Huber and F. Solt, “Successes and Failures of Neoliberalism,” [Latin American Research Review](#), Vol. 39, No. 3 (2004), 143, 143-149, 150-164, respectively.
- <sup>4</sup> Weyland, 143; M. Walton, “Neoliberalism in Latin America – Good, Bad or Incomplete?,” [Latin American Research Review](#), Vol. 39, No. 3 (2004), 165-183.
- <sup>5</sup> “[T]his [policy package] has been accomplished by the opening of Latin America’s economies to foreign investment and trade by way of privatization of public activity, deregulation of private activity, and production primarily for export and fiscal austerity—in a word, neoliberalism.” E. Hershberg and F. Rosen, “Turning the Tide?” in E. Hershberg and F. Rosen, Eds., [Latin America After Neoliberalism](#) (New York: The New Press, 2006), 7.
- <sup>6</sup> The neoliberal economic policies approved by the Pérez Administration in a structural adjustment program recommended by the IMF, included: “[F]loating interest rates; increased taxes on public services; public salaries

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increase 5 percent; the progressive elimination of import tariffs [liberalizing trade]; 4 percent reduction in the budget deficit [social austerity]; labor weakened to make work force more flexible [preventing workers' strikes and impairing social rights]." Also, by executive decree foreign companies were allowed to remit 100 percent of their profits to their base countries (seeking to enhance foreign investment). Meanwhile, inflation had reached 80.7 percent while real salaries had decreased by 40 percent; unemployment reached 14.0 percent while 80.42 percent of the population was living in poverty. Hugo Chávez, Understanding the Venezuelan Revolution - Hugo Chávez Talks to Marta Harnecker (New York: Monthly Review Press, 2005), 16.

<sup>7</sup> Carlos M. Vilas, "The Left in South America and the Resurgence of National-Popular Regimes," in E. Hershberg and F. Rosen, Eds., Latin America After Neoliberalism, 238.

<sup>8</sup> There has been a steady decline of satisfaction with democracy in Latin America, according to *Latinobarómetro*. Its regional polls indicate that support decreased from 41 percent in 1997 to 31 percent in 2005. Among "unsatisfied democrats" (supporters of democracy but unhappy with democratic governments' performance), support declined from 34 percent in 1996 to 24 percent in 2004. Measuring the category from highly satisfied to well satisfied with democracy, Venezuela scored 57 percent in 2006, second to Uruguay (66 percent), the highest in the region. In 2006, throughout Latin America President Hugo Chávez received his highest positive image rating in Venezuela (66 percent), the Dominican Republic (43 percent), and Argentina (38 percent), and his lowest in Chile (8 percent), while his regional average was 28 percent. Summary-Report, Latinobarómetro 2004, A Decade of Measurements, Informe Latinobarómetro 2005 (1995-2005) Diez Años de Opinión Pública, and Informe Latinobarómetro 2006 (On Line), (Santiago, Chile, *Corporación Latinobarómetro*, 2004, 2005, 2006), 24, 52-54, 74, respectively.

<sup>9</sup> Richard Gott, Hugo Chávez and the Bolivarian Revolution (London, Verso, 2005), 58.

<sup>10</sup> "[P]oor Venezuelans began to wear red paratrooper berets in solidarity [with Chávez]. Folk songs, graffiti, and poems praised him. One such tribute revised the Catholic version of the Lord's prayer," addressing Chavez as: "Our Chávez who are in jail/Blessed be your coup/Come to (avenge) us your people/Your will be done/That of Venezuela and your army." Charles E. Blake, Politics in Latin America (Boston: Houghton Mifflin, 2005), 370.

<sup>11</sup> Richard Gott, In the Shadow of the Liberator. Hugo Chavéz and the Transformation of Venezuela (London: Verso, 2001), 144-145.

<sup>12</sup> "Venezuela had had four republics since the declaration of independence from Spain in 1811. Two were formed during the wars of independence: the Confederation of the States of Venezuela in 1811, and the Second Republic of 1813; the Third Republic was created at the time of the formation of the Gran Colombia in 1819. The Fourth Republic, founded in Valencia in 1839 by Bolívar's general, José Antonio Páez, was to last the longest. Built, said Chávez, by 'a class of oligarchs and bankers, on the bones of Bolívar and Sucre', Venezuela's Fourth Republic had always been dominated by conservatives opposed to the ideals of Bolívar." *Ibid.*, 144-145.

<sup>13</sup> Gregory Wilpert, "The Opposition's Historical Concession and the Road Ahead for Venezuela," in his Venezuela's Bolivarian Process. *Venezuelanalysis.com.*, 10 December 2005, (On Line).

<sup>14</sup> Chávez' example stands in opposition to that of the former President of Ecuador Lucio Gutiérrez (2003-2004), who ran as a populist, but after alienating his supporters by changing course and favoring neoliberal reforms, ended up out of office. Attempting to control the judiciary for political motives also contributed to bringing him down. The story suggests that people's yearning for social justice should not be approached flippantly, it cannot be used to gain power and then turn against their wishes once in office. TIME Almanac 2006 (Boston: Information Please, 2005), 763.

<sup>15</sup> Steve Ellner, "Venezuela: Defying Globalization's Logic," NACLA Report on the Americas, Vol. 39, No. 2 (September/October 2005), 20.

<sup>16</sup> Ministerio de Estado para la Integración y Comercio Exterior, Index (Caracas, Venezuela, n.d.) (On Line).

<sup>17</sup> "The [U.S.] intervention [in Venezuela] is already a fact. Within the international framework, more than anywhere else, struggles are fought in terms of general policies. The U.S.A. wants us to impose the FTAA by any means necessary, which would perpetuate the exiting relations between North America and Latin American countries. [When] Venezuela rejects this proposal, from the point of view of Washington, it automatically becomes an

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enemy of the United States. Roland Denis interviewed by Raul Zelik, "To Destroy and to Reconstruct: The New State in Venezuela and the Popular Movement," in Gregory Wilpert, Ed., Venezuela's Bolivarian Process. (Caracas: Venezuelanalysis.com, 2006), 26.

18 Chávez's heroes include Simón Rodríguez, Bolívar's teacher, political mentor, and traveling companion, and Ezequiel Zamora, who integrated soldiers and civilians in the common struggle--an idea cherished by Chávez. Zamora united civilian and military forces to defend the rights of landless peasants, and in the Venezuelan civil wars of the 1840's and 1850's. They left a nationalist hemispheric message, Latin Americans struggling for common social and political ends. Inspired by Bolívar's example, the Bolivarian Revolutionary Movement 200 (MRB 200), founded in 1982 by four officers, including Chávez, commemorated the 200<sup>th</sup> anniversary of his birthday. They took a solemn oath under Bolívar's historic tree *Samán de Güere*, swearing to follow his ideals. The MRB 200 was reborn in 1992 when Chávez's failed coup was launched, engaging the military alongside civilians. The military working in social tasks with civilians is a common practice in Venezuela today, helping to remove the memory of the attack on civilians by the military during the 1989 *Caracazo*. Gott, In the Shadow of the Liberator, 112, 97-124 Also, see Marta Harnecker, "The Venezuelan Military: The Making of an Anomaly," in Gregory Wilpert, Ed., Venezuela's Bolivarian Process, 105-109.

19 Ibid, 61.

20 V Cumbre del ALBA: "Proyecto Grannacional," "Acuerdo Energetico entre Venezuela y Nicaragua," "Convenio marco de cooperación ALBA-Haiti." Portal ALBA (30 April 2007) (On Line); Carlos Chirinos, "ALBA: Corresponsal de BBC Mundo en Venezuela explica sus elementos básicos," Portal ALBA (2 May 2007) (On Line).  
21 Michael Fox, "Defining the Bolivarian Alternative for the Americas, ALBA," in Gregory Wilpert, Ed., Venezuela's Bolivarian Process. (Caracas: Venezuelanalysis.com, 2006), 61-65.

22 Ibid, 61.

23 Ibid, passim.

24 "According to Jaqueline Giménez Tellería, President of the ALBA Governing Council, ALBA includes everything from bilateral agreements between Venezuela and Uruguay or Argentina, to Funds for Haiti and even the low-cost heating oil program for low-income communities in the United States. Although she too makes the distinction that until now, these agreements are also not in and among themselves ALBA, but rather 'agreements signed in the framework of ALBA'." Fox, "Defining the Bolivarian Alternative for the Americas," 62.

25 Fernando Ramón Bossi, Secretary of the Peoples' Bolivarian Congress, "Construyendo el ALBA Desde los Pueblos," delivered at the III Summit of the Peoples, Mar del Plata, Argentina, November 3, 2005. Portal ALBA, 2005 (On Line), <http://www.alternativabolivariana.org>.

26 Fox, "Defining the Alternative for the Americas-ALBA," 64-65.

27 Cochabamba Declaration, 8-9 December, 2006, Alliance for Responsible Trade (On Line) 2007; Social Summit for the Integration of the Peoples, 6-9, 2006, TNI Alternative Regionalisms (On Line).

28 Populism. Wikipedia Encyclopedia (On Line), 2006; Mark Weisbrot, Latin American 'populism' doing well," The Center for Economic Policy Research, Venezuelanalysis.com, 28 March 2006 (On Line).

29 Juan Forero, "Populist Movements Wrest Much of Latin America from Old Parties," The New York Times, 20 April 2006, A8; Peter Hakim, "Is Washington Losing Latin America?," Foreign Affairs, January/February 2006, 39-53.

30 "The battle for Latin America's soul," The Economist, 20 May 2006, 11. Also, Jorge Castañeda, "Latin America's Turn to the Left," Foreign Affairs, May/June 2006, 28-43.

31 Cuba Socialista, December 2004 (On line).

32 Ibid. Also, see "Preparan en La Habana Audiencia sobre el ALBA." Cuba Socialista, January 2006, (On Line).

33 Ellner, "Venezuela: Defying Globalization's Logic," 22.

34 Michael Fox, "Felix's Miracle and the Convenio Cuba-Venezuela," in Gregory Wilpert, Ed., Venezuela's Bolivarian Process, 222-223.

35 Philip Agee, "The Decline of the U.S., the Rise of Latin America," Venezuelanalysis.com (On Line), 22 March

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- <sup>36</sup> Luis A. Gómez, “Evo Morales Turns the Tide of History,” in V. Prashad and T. Ballvé, Eds., Dispatches from Latin America (Cambridge, Mass.: South End Press, 2006), 140.
- <sup>37</sup> Joaquín Rivery Tur, “Suscriben Fidel y Evo Morales acuerdo de Cooperación Bilateral, Granma Internacional, 31 December, 2005 (On Line); Mariela Pérez Valenzuela, “Suministrará Venezuela Diésel a Bolivia,” Granma Internacional, 4 January, 2006 (On Line); Foer, “The Talented Mr.Chávez,” 97.
- <sup>38</sup> “Bolivia Cements trade ties with Cuba and Venezuela,” Associated Press (On Line), 1 May 2006; “Leftist leaders reject U.S. Trade Plan,” CNN.com (On Line), 30 April 2006; “Bolivian President calls for Creation of Anti-Imperialist Community of Nations,” Trabajadores, Political Affairs.net, 1 May 2006 (On Line); Simone Baribeau, “Chávez: Venezuela to withdraw from Andean Community of Nations,” Venezuelanalysis.com, 21 April 2006 (On Line).
- <sup>39</sup> “The leftist Morales, 46, won a stunning landslide in [the 2005 presidential] election in no small part because he pledged to legalize far more cultivation of coca, which Aymara Indians like him have chewed for centuries for traditional medicinal purposes and which the U.S. has tried for decades to eradicate in Bolivia because drug traffickers use it to make cocaine. Morales impishly claims that coca-leaf extract is part of the formula of the classic American beverage Coca-Cola. (a legend the company has consistently declined to comment on) and adds, ‘It is not right that exporting coca is legal for Coca-Cola but not for the rest of us’.” Tim Padgett, “To the Left, March!,” TIME, January 9, 2006, 36-37.
- <sup>40</sup> Telesur, “Gobierno Boliviano Calificó de Intromisión Sugerencia de EE.UU. de que se aleje de Venezuela y Cuba,” Telesur (On Line), 17 November 2006.
- <sup>41</sup> Simon Romero, “Venezuela Rivals U.S. in Aid to Bolivia,” The New York Times (On Line), 23 February 2007.
- <sup>42</sup> Granma, “Llamado a Defensa Popular Armada Centra la Atención en Bolivia,” Granma (On Line), 22 September 2006.
- <sup>43</sup> Jean Friedman-Rudovsky, “Evo’s Request for Reelection,” Ukhampacha Bolivia (On Line), 29 May 2007.
- <sup>44</sup> Laura Carlsen, “Timely Demise for Free Trade of the Americas,” in V. Prashad and T. Ballvé, Eds., Dispatches from Latin America (Cambridge, MA., South End Press, 2006), 68-70.
- <sup>45</sup> “Mercosur goes beyond the trade liberalization measures of trade deals like NAFTA, seeking also to harmonize certain political and economic activities of the member nations...[It] can be understood as a less-developed cousin of the European Union...[Mercosur has] developed common trade negotiating positions and explored coordination of fiscal and monetary policies, including the possible development of a common currency.” Jason Tockman, ZNet (On Line), 22 January 2007.
- <sup>46</sup> Stuart Munckton, “Venezuela, Argentina to establish ‘Bank of the South’,” Greenleft (On Line), 3 March 2007, and “Kelly Hearn, “Venezuela Proposes ‘Bank of the South’,” The Washington Times (On Line), 13 January 2006.
- <sup>47</sup> Chris Carlson, “Brazil to Join ‘Bank of the South’,” Venezuelanalysis.com (On Line), 16 April 2007, and “Hugo Chávez moves into banking,” The Economist (On Line), 10 May 2007.
- <sup>48</sup> Larry Rother, “As Argentina’s Debt Dwindles, President’s Power Steadily Grows,” The New York Times, January 3, 2006, A1, A9.
- <sup>49</sup> Forero, “Chávez, Seeking Foreign Allies,” A1, A6. Attempting to improve his image in Latin America, President Bush visited Uruguay, Brazil, Colombia, Guatemala, and Mexico in 2007. Not coincidentally, Chávez conducted his own shadow tour, visiting Argentina, Bolivia, Nicaragua, and Haiti while Bush was in the neighborhood. “Mr. Bush Goes South” and “Spring Break,” The Economist, 3 March 2007, 14, 44-46; and Greg Grandin and Steven Ellner, “President Bush v Hugo Chávez – A Discussion of the State of Politics in Latin America,” Democracy Now! (On Line), 12 March 2007.
- <sup>50</sup> Larry Rohther, “Argentina’s President Steps Aside to Support Wife as His Successor,” The New York Times, 3 July 2007, A5.
- <sup>51</sup> “Most of [the economic] growth occurred in the non-oil sector, which increased by 10.3%, while the oil sector grew by only 1.2%. In the non-oil sector, the strongest growth was measured in the construction industry, which increased by 20.1% relative to the previous year, followed by commerce and repair services (19/9%), and

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communication (15.9%). According to [Central Bank President] Parra, the lower dynamism of the petroleum industry is related to the maintenance of a price defense strategy.” Gregory Wilpert, “Venezuela’s Economy Grew 9.4% in 2005,” [Venezuelanalysis.com](#), December 29, 2005 (On line).

52 Forero, “Chávez. Seeking Foreign Allies, Spends Billions,” A6.

53 Simon Romero, “Political Clashes Shake Venezuela’s Strained Oil Industry,” [The New York Times](#), 23 July 2007, A8.

54 Simon Romero, “Chávez Ends Busy Week Aiding Venezuela’s Latin Neighbors,” [The New York Times](#) (On Line), 24 February 2007.

55 Showing how differently it would act with adversarial governments, Venezuela “shut an aluminum plant in Costa Rica with 400 employees...after Oscar Arias, Costa Rica’s president, criticized Mr. Chávez’s recently acquired power to govern by decree.” Ibid.

56 Joseph Contreras and John Barry, “With Enemies Like This--Hugo Chávez has a New Weapon in his Battle Against the Bush Administration: low-priced oil for U.S. Cities,” [Newsweek](#), 19 December 2005, 49.

57 Ibid.

58 David Leonhardt, “U.S. poverty rate was up last year,” [The New York Times](#), 31 August 2005 (On Line).

59 Aleida Guevara, [Chavéz, Venezuela and the New Latin America \(An Interview with Hugo Chavéz by Aleida Guevara\)](#) (Melbourne: Ocean Press, 2005), 52.

60 Ralph T. Niemeyer, [Under Attack--Morning Dawn in Venezuela](#). (New York: iUniverse, 2004), 17, 17-21.

61 Ibid. Also, see Germán Sánchez, [Barrio Adentro & Other Social Missions in the Bolivarian Revolution](#) (Melbourne: Ocean Press, 2005).

62 Richard Gott, [Hugo Chávez and the Bolivarian Revolution](#) (London: Verso, 2005), 256-259.

63 Simone Baribeau, “Venezuela Announces New Mission: Mothers of the *Barrio*.” [Venbezelanalysis.com](#) (On Line), March 25, 2006.

64 “Chávez Summarizes accomplishments of 2005 and Accuses U.S. of Interference in Venezuela,” [Venezuelanalysis.com](#) (On Line), 16 January 2006.

65 “Venezuelan Unemployment Drops to New Lows,” [Venezuelanalysis.com](#) (On Line), 22 June 2007.

66 “Chávez Summarizes accomplishments of 2005 and Accuses U.S. of Interference in Venezuela.”

67 E-mails circulating among Chávez’s opponents reporting his “future laws,” included ending private medical practice and education; nationalizing private property; changing the armed forces uniforms to *verde olivo* (olive green) color, as in Cuba; penalizing possession of foreign currency; curbing religion; nationalizing private banks; controlling citizens’ identity, freedom of movement, and communication. Made available to the author by a family residing in southern Florida, 2005.

68 Bart Jones and Letta Taylor, “Rift deepens between U.S. and Venezuela years after coup,” [Newsday](#), 2 May 2005 (On Line).

69 Mike Ceasar, “Anti-Chávez leader under fire,” [The Christian Science Monitor](#) (On Line), 5 July 2006; Sarah Wagner, “Venezuelan opposition leader’s meeting with Bush stirs up controversy,” [Venezuelanalysis.com](#), 2 June 2005 (On Line). The Venezuelan ambassador to the United States, Bernardo Alvarez Herrera, stated on C-Span TV Channel in 2005 that Secretary of State Condoleezza Rice has never received him.

70 For a report on Washington’s standing against Chávez and Castro, see Otto J. Reich, “Latin America’s Terrible Two--Fidel Castro and Hugo Chávez constitute an axis of evil,” [National Review](#), 11 April 2005, 290-296.

71 Joel Brinkley, “U.S. Proposal in the O.A.S. draws fire as an attack on Venezuela,” and “Latin Nations Resist Plan for monitor of democracy,” [The New York Times](#), 23 May, 2005, and 6 June 2005, respectively; Cleto Sojo, “Venezuela, OAS countries reject US proposal to monitor democracies,” [Venezuelanalysis.com](#), 6 June 2005 (On Line).

72 Gregory Wilpert, “Venezuela hails OAS meeting as great success,” [Venezuelanalysis.com](#), 9 June 2005 (On Line).

73 William Fisher, “Oil on Troubles Waters,” [Common Dreams News Center](#), 29 May 2006 (On Line).

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- <sup>74</sup> Jim Rutenberg, "President Touches on Cuba After Castro," The New York Times, 29 June 2007, A6.
- <sup>75</sup> Juan Forero, "Chávez, Seeking Foreign Allies, Spends Billions," The New York Times, April 4, 2006, A1, A6.
- <sup>76</sup> Michael Shifter, "In Search of Hugo Chávez," Foreign Affairs, May/June 2006, 45.
- <sup>77</sup> *Ibid.*, 46.
- <sup>78</sup> Foer, 96.
- <sup>79</sup> *Ibid.*
- <sup>80</sup> Thomas L. Freedman, "The First Law of Petropolitics," Foreign Policy, May/June 2006, 28-36.
- <sup>81</sup> *Ibid.*
- <sup>82</sup> Human Rights Watch, World Report 2006. 2006 (On Line), pp. 187, 213, 502. For a discussion of human rights in Cuba, see Azicri, Cuba Today and Tomorrow, 290-296, *passim*; and for an exposé of the Bush Administration's policies combating terrorism at home at abroad, see James Risen, State of War (New York: The Free Press, 2006).
- <sup>83</sup> Gregory Wilpert, "The Meaning of 21<sup>st</sup> Century Socialism in Venezuela," in his Venezuela's Bolivarian Process, 15-16. Also, see Heinz Dieterich Steffan, Bases del Nuevo Socialismo (Buenos Aires:Editorial 21, 2001), and Heinz Dieterich Steffan, et. al., Eds., El Fin del Capitalismo Global – El Nuevo Proyecto Histórico (Mexico: Océano, 200).
- <sup>84</sup> Gregory Wilpert, "Chávez affirms Venezuela is heading towards socialism of the 21<sup>st</sup> century," Venezuelanalysis (On Line), 2 May 2005; Derrick O'Keefe, "Venezuela's challenge for the 21<sup>st</sup> century: building a democratic, humanist socialism," SevenOaksMag.com, 9 March 2005 (On Line).
- <sup>85</sup> Characterizing his first years as president as a "transitional period" ( 1999-2006), Chávez announced during the swearing-in ceremony of his new cabinet, following the 2006 presidential election, a series of new measures that would start moving the country in the direction of 21<sup>st</sup> socialism. The reforms would be outlined in five related "motor" legislation, including: "an 'enabling' law, constitutional reform, popular education, reconfiguration of state power, and explosion of communal power." Gregory Wilpert, "Chávez Announces Nationalizations, Constitutional Reform for Socialism in Venezuela," Venezuelanalysis.com (On Line), 8 January 2007.
- <sup>86</sup> "President Hugo Chávez's threat to nationalize banks spooked Venezuelan markets..., but the president of Citybank Venezuela said he does not see the local financial industry in imminent danger." "Chavez threatto nationalize banks prompts Venezuela stock fall," International Herald Tribune (On Line), 4 May 2007.
- <sup>87</sup> Herberg and Rosen, "Turning the Tide?," 15.
- <sup>88</sup> In addition to the 2004-2007 agreements, the list includes the 1980 Amazonic Cooperation Agreement between Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela. Portal ALBA, Alternative Bolivariana para la América, (On Line), n.d. Also, see Construyendo el ALBA desde los Pueblos. ALBA – Alternativa Bolivariana para América Latina y el Caribe (Ediciones Emancipación, 2006) (On Line).