

# ALTERNATIVES TO CORPORATE GLOBALIZATION: VENEZUELA'S ALBA

Since the election of Hugo Chávez as president of Venezuela in 1998, a fundamental shift is taking place. For the first time, oil revenues are being used to provide health care, education, clean water, subsidized food, electricity, and other basic services to all Venezuelan citizens – and especially the poor who were marginalized under previous neoliberal governments.

But the impacts of Venezuela's new economic model are not just benefiting the citizens of Venezuela. A fundamental aspect of Venezuela's vision for the future of Latin America is creating an alternative to the neoliberal model of corporate globalization that will roll back the growing scourge of poverty in the region.

According to the UN, 222 million people - 43% of the population of Latin America - are poor, with 96 million – nearly one in five – living on less than a buck a day.

## **Failure of the Model**

During the last 25 years, many Latin American governments have followed the Washington Consensus neoliberal economic model of corporate globalization, which includes policies like privatization of public services, lowering tariffs, opening up to foreign investment, and eroding worker's rights, usually under pressure from "structural adjustment" programs imposed by the International Monetary Fund. During this time, exports have increased, and yet Latin America has experienced a spectacular failure of economic growth – less than .5% per capita income growth average since 1980. By way of contrast, the previous twenty years saw 80% economic growth or 4% per person per year.

A strikingly candid assessment by the *Wall Street Journal* last November acknowledged that the "rise of Mr. Chavez, and of other more moderate leftist leaders in Latin America, reflects the disappointing results of the so-called Washington Consensus, a set of market-oriented policies like trade liberalization and privatization that the region and parts of Asia embraced during the 1990s." Yet Bush and Condoleezza Rice still talk in Latin America about the need to promote the "twin pillars of democracy and free trade."

Citizens in the region, however, are increasingly electing democratic governments that prioritize economic growth and development strategies, turning away from the failed neoliberal models of the recent decades. This has been the case in Argentina, Uruguay, Bolivia, and to some extent Brazil, and particularly in Venezuela. Venezuela has also worked hard to extend that model to the rest of Latin America, through programs of regional integration.

## **Mar del Plata: Tomb of the FTAA**

In spite of the obvious failure of the North American Free Trade Agreement, NAFTA, to lower poverty or unemployment rates, expanding NAFTA to the western hemisphere through the Free Trade Area of the Americas – the FTAA – has been the top political priority of the US in Latin America for the last ten years. But in 2003 the talks faltered, and have been stalled ever since.

In November of 2005, Bush and Chávez both participated in the Summit of the Americas, in Mar del Plata, Argentina – a gathering of leaders in the region that was intended to focus on creating jobs. Instead, the summit turned into a referendum on free trade, with Bush attempting to jump-start talks for the FTAA, while Chávez headlined a giant rally with hemispheric social movement leaders and proclaimed Mar del Plata the "tomb of the FTAA."

## **Regional Integration: the Bolivarian Alternative for the Americas, ALBA**

A key foundation of the entire Bolivarian project in Venezuela is to strengthen alliances among southern countries to redraw the global political map, and end US economic domination in the hemisphere. Venezuela is promoting concrete programs of regional integration that are real alternatives to the failed model of corporate globalization. These projects appear threatening to the Bush administration, because they aim to reduce Latin America countries' dependence on the US, and build stronger ties among the nations of the Americas.

Venezuela's vision of regional integration is based on the writings of Simón Bolívar, the Liberator of much of South America, and is united under the banner of the Bolivarian Alternative for the Americas, or ALBA. ALBA is grounded in the principles of complementarity (rather than competition), solidarity (instead of domination), cooperation (not exploitation), and respect for sovereignty (instead of corporate rule). And ALBA is based on grassroots citizen participation, as the citizenry are both the implementers and the beneficiaries of the agreements under the banner of ALBA.

## **Venezuela's Vision: Based on the Constitution**

Venezuela's vision of economic democracy is based on their Constitution, which was popularly approved in 1999, and mirrors several key aspects of the social movement critique of the corporate globalization model, such as its erosion of democracy, privatization of services, assault on development, and harm to workers.

## **National Sovereignty: the Right to Develop and to Create Jobs**

A basic goal of the neoliberal model is to reduce the role of the state in domestic policymaking and increase the control of foreign capital over domestic economies. Venezuela has argued that the state must maintain a role in promoting economic development through strategic use of tariffs and government subsidies to protect nascent industries and promote local development of jobs. These are tools that governments around the world – including the US – have used for decades to help promote national economic growth and create local jobs. Yet the FTAA, and the US and EU proposals in the WTO would drastically reduce the ability of developing countries to employ the same strategies we used, effectively “kicking away the ladder of development.”

Venezuela has been investing oil revenues in national projects to revitalize industries in an effort to diversify production away from their dependence on oil. As a result, unemployment has plummeted, and Venezuela boasts one of the fastest growing economies in Latin America. And it has increased its trade with other Latin American nations, decreasing the region’s dependence on the US as the top trading partner.

## **Services: the Right to Education, Health, and Water, Not Corporate Profit**

A key aspect of Venezuela’s opposition to corporate globalization is regarding the privatization of services like health care, education, and distribution of water, which are guaranteed in Venezuela’s Constitution.

*Education:* For example, Venezuela has accomplished a massive literacy campaign that has taught over 1.4 million Venezuelans how to read and write. Venezuela has also built or refurbished over 9,000 elementary schools, vastly increasing enrollment, and now provides lunches to disadvantaged schoolchildren.

*Mision Ribas* allows adults to return to high school and get their G.E.D. Roraima, a 36-year-old maid and mother of two, said that she “had to drop out of high school in 9th grade to work, so my brothers could go to school. Now I’m getting my GED, and then I will go on to the Mission Sucre to study to become a social worker. Then I will be able to help others, and give back to my community.” The college program *Mision Sucre* has vastly expanded access to higher education.

*Barrio Adentro*, the health care mission, has provided primary, prevention-based health care to over 60% of the Venezuelan population by placing clinics in neighborhoods across the country and providing free medicine, including to people with HIV/AIDS.

*Water:* Venezuela has been carrying out a large-scale project to ensure clean water to all Venezuelan citizens. Lack of access to clean water is the single biggest killer of poor people worldwide, yet privatizing water is a top agenda of the corporations promoting globalization.

At the same time, the Chávez administration has been promoting regional projects focused on eradicating illiteracy. A cooperation agreement with Cuba under the banner of ALBA provides doctors and nurses for *Barrio Adentro*, in return for subsidized Venezuelan oil. These programs exemplify the right to basic services, and are incompatible with privatized education or health care.

And Venezuela has resisted the privatization of services regionally in opposing the FTAA, and in resisting the expansion of Services coverage in the WTO.

## **Agriculture: Food Sovereignty**

Agriculture is another sector that exemplifies how Venezuela’s Constitution challenges the dictates of the corporate globalization model. Venezuela has focused on agriculture as a key sector for moving out of dependence on oil exports and towards food sovereignty, a basic call of the global farmers’ movement *Via Campesina*.

Venezuela has been carrying out a massive program of land reform, because historically 5% of the population owned 75% of the land, a *latifundio* situation that resulted in unused land, rural poverty, and a dependence on food imports. Land reform programs, combined with credit and technical assistance for farmers, have enabled Venezuela to increase food production. Substantial food subsidies for the poor have increased food security.

Likewise, many of Venezuela’s regional integration programs include the trade of Venezuelan oil for food, such as Argentine meat or dairy and Bolivian soybeans, which benefit struggling farmers in those countries.

Yet the failed model of corporate globalization treats food as any other commodity, to be traded on the global market, rather than in the context of the human right to food. Along with developing-country political allies in the WTO, Venezuela has called for the right of countries to support their agricultural sectors to preserve food sovereignty, food security, and rural livelihoods.

## **Challenge to US Economic and Political Hegemony and Corporate Globalization**

Venezuela is leading efforts in regional and global spheres for alternative models to corporate globalization that are more successful in promoting development and regional integration. This is a fundamental challenge to US economic hegemony and the corporate model. The Bush administration and its corporate backers will likely become increasingly concerned about Venezuela, and will likely continue to couch their concern about the opposition to the economic policies as if it were a concern about “democracy.”

US citizens can help preserve the survival of the Venezuelan vision of Another World Is Possible, by helping stop US intervention in Venezuela, so that generations to come may benefit from a world beyond US economic and political hegemony, and an economic system based on human need, not corporate greed.