Challenging neoliberalism through hegemony? UNASUR and ALBA as projects for the construction of a new order.

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1. Introduction

At the turn of the millennium in South America Luiz Inácio Lula da Silva rose to power in Brazil and Hugo Chávez in Venezuela. In their inaugural speeches both promised their constituencies to introduce alternatives to the neoliberal paradigm reigning inside and outside the region – a promise that many civil society representatives had been calling for. Civil society, though, has been calling for more than just change in the ideas guiding the region’s economic and social development; another central theme has been its effective participation in the construction of an alternative project. Hence, it can be said that the alternative to neoliberalism that civil society is demanding the governments to implement must include at least three things: 1) ideas that are different from neoliberalism, 2) one of these ideas must be the idea of effective civil society participation and 3) this idea must also be implemented, that is, not just remain as a promise.

The topic of the construction of an alternative to neoliberalism is analysed in the context of two regional projects headed by the Brazilian and the Venezuelan governments: the Union of South American Nations (UNASUR) lead by president Lula and the Bolivarian Alliance for the Peoples of Our America (ALBA), put forward by president Chávez. The civil society studied in this paper consists of regional coalitions of different social movements, civil and indigenous groups and NGOs that have produced documents regarding the chosen regional projects in which also the demands elaborated above appear. The projects are analysed from the point of view of whether or not, or to what extent, they fulfill the demands made by the civil society. This is done by a) comparing the ideas found in those documents concerning what the integration projects should be about to those found in official treaties and declarations concerning the integration projects, and these two ensembles of ideas to neoliberalism defined through the “Washington consensus” document on Latin American development strategies, and b) studying the actual position of the civil society in the power structures of the projects.

If one takes into consideration that Chávez has been openly very extremely critical of neoliberalism and in addition has spoken of his national project as “Socialism of the 21st century”, and that Lula instead has not voiced criticisms in such manners nor put any labels to his politics, an initial assumption concerning especially the first call made by the civil society is that Chávez's ALBA is based on ideas that are more radically different from neoliberalism than UNASUR, and in this sense more of an alternative to neoliberalism. Still, a hypothesis guiding this study is that

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1 There are several other integration projects that also involve Brazil and Venezuela as key participants, such as the older ones MERCOSUR and CAN as well as more recent ones, such as the IIRSA infrastructure project, the Banco del Sur and the Community of Latin American and Caribbean States. The reason to not include them in this study is mainly to reduce the scope of the analysis. Still, it is acknowledged that comparative studies between them and the ones studied in this paper are also important and need to be done.
something more significant is potentially occurring in South America: what civil society is in effect calling for constitute the basic elements for the construction of hegemonic projects as originally theorised by Antonio Gramsci and later developed by Robert Cox, Ernesto Laclau and Chantal Mouffe. And as Laclau and Mouffe argue it is through hegemony that it becomes possible to form a “strategy for the construction of a new order” (Laclau & Mouffe 2001, p.189) that would bring about a “radical and plural democracy” (ibid.). Thus the overall research question is not any more just whether or not the integration projects are constructed in accordance with the civil society’s demands but also are they in accordance with the “strategy for the construction of a new order”.

2. The neo-Gramscian approach to regionalism: Concepts and method

According to Gerald Strange and Owen Worth (2006, p.1): “[r]ecent analyses in critical studies of globalisation and regionalism have been dominated by neo-Gramscian and Open Marxist theorisations […].” Correspondingly, this paper cannot perhaps boast with originality, but nonetheless it attempts to advance the kind of neo-Gramscian study that Strange and Worth end up calling for. That is, this paper gives methodological primacy to form analysis instead of content analysis in the analysis of regionalism and displays a “[…] commitment to integrate both the domestic and the global and the structural and agential dimensions of regionalism within a coherent critical framework” (Söderbaum 2005 cited in Strange & Worth 2006, p.9). Within this approach the analysis of regionalism is concerned with “to what extent and in what ways states and particular state-society complexes have sought to respond to globalisation by building state-led regionalist schemes” (Söderbaum 2005 cited in Strange & Worth 2006, p.10). The research interest is not therefore in, for example, explaining why regional integration occurs, which has been the purpose of traditional integration theories like (neo-)functionalism and federalism. Neither does the author treat regionalism a priori as something that supports the dominant (neoliberal) power structures, as has been the case in some neo-Gramscian analyses. Instead priority is given to the assessment of the impact of regionalism on regions themselves – especially on the emergence of distinct bloc actor qualities – since, as Strange and Worth (2006, p.11–12) state, the identification of a region as a bloc actor is logically prior to the assessment of, for example, its commitment to advance neoliberalism. Simultaneously it needs to be emphasised that the purpose of trying to connect Gramsci’s concept of hegemony to regionalism, which will done in the following chapters, is not to advance a specific theory of regionalism, but to build a theoretical framework with which to analyse possible changes in the neoliberal world order.

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2 See Strange & Worth 2006 for a more detailed critique.
The specifically Gramscian aspect of the study stems from Robert W. Cox’s work. In the beginning of the 1980s he developed a framework for studying change in the world order that involves a combination of neo-Marxist political economy, Gramsci’s historical materialist sociology and critical theory. Cox (1981/1996, p.88–93, p.103.) criticised mainstream IR theories, especially neorealism; one of his targets was the neorealist conception of hegemony, centred on the material power of state, and the related theory of hegemonic stability. For Cox (ibid.) the neorealist conception was too narrow and thus the theory inadequate to reflect real life situations. As a proposed solution Cox (ibid.) extended Gramsci’s notion of hegemony (thus the tendency to call this line thinking as neo-Gramscian) to the study of IR.

2.1. Hegemony - Concept and Theory

As indicated previously, the relationship between the regional projects and neoliberalism will be analysed through the theoretical concept of hegemony in order to better argue for possible changes and continuities in the relationship. Hegemony escapes a singular definition. Indeed the way it is conceived here is based on a combination of three theories: that of Antonio Gramsci and its subsequent adaptation and extension by Robert W. Cox as well as the one by Ernesto Laclau and Chantal Mouffe. Laclau and Mouffe will have the most prominent place in the paper since they are the ones who most extensively theorise hegemony at the level of ideas, and this is the level where the empirical analysis primarily operates. It is not possible to elaborate here all these theories in a thorough manner, or even just that of Laclau and Mouffe, without overextending the paper. Here the focus will be in outlining the essential components required for a “strategy for the construction of a new order”. These elements are: 1) a hegemonic articulation, based on 2) the logic of radical and plural democracy, and 3) “proposals for the positive organisation of the social” (Laclau & Mouffe 2001, p.189).

Hegemony is understood in this paper as primarily a type of relation (Laclau & Mouffe, p.139) in which different subjects come together to form a common project. As Robert Cox (1981/1996, p.98) states, these relations are all power relations operating at the levels of ideas, institutions and material capabilities without any predetermined directions. However, the level of ideas is the central level in the theories of Gramsci, Cox and Laclau and Mouffe. It was Antonio Gramsci, who laid the basic principles of hegemony as it is understood here; For Gramsci (1971, p.12) hegemony meant the achievement of a situation where the power relations within a society were maintained mainly through consent established between the subordinate and the ones in power instead of use of force. This meant a more stable situation as it required the involvement of many members of the civil society and thus the construction of “a collective will” (Gramsci 1971, p.130).
Gramsci (1971, p.59) also included hegemony in the act of changing the power relations of the society: in many situations the act of overthrowing the ones in power and replacing them with new ones required the construction of a common will first between the ones who were subordinate, and through this hegemonic process (together with the use of military acts) new power relations were established.

Laclau and Mouffe (2001, p.69) argue however, that from the perspective of constructing a radical and plural democracy, Gramsci’s understanding of hegemony is problematic: Even if Gramsci theorised the formation of a collective will as something that required transgressing boundaries of class division, his conception of hegemony rested ultimately on the view of a single unifying principle in every hegemonic formation and that this principle was ‘class’. That is, transgressing class divisions was the only form of the hegemonic act; this was not a result of hegemony but the necessary framework within which hegemony manifested itself (ibid.). Thus Gramsci’s view of hegemony had an essentialist ontological core, class struggle. This type of struggle, even if the result of a hegemonic act, is not democratic but “popular” for Laclau and Mouffe, since it is ultimately not about a struggle in a plurality of discursive spaces, but in a single one; that of class struggle (Laclau & Mouffe 2001, p.137. In a popular struggle, for example, environmental protection can be included in the class struggle, but it is conceived as part of the class struggle and not as one of many struggles. In the following I shall elaborate the solution Laclau and Mouffe offer for advancing radical and plural democracy through hegemony.

As stated previously, the most important level for the formation of hegemony is the level of ideas, and more specifically for Laclau and Mouffe (2001, p.134–135) the field of discourse\(^3\) and articulatory practises, since it’s there where the identities of subjects are constructed. Concomitantly social orders, such as society, are ultimately discursive structures. Here discourse refers to a structured totality of different elements\(^4\) (, objects and subjects,) resulting from articulatory practises and articulation to “any practise establishing relations among elements such that their identity is modified as a result of the articulatory practise” (Laclau & Mouffe 2001, p.105). Discursive structures cannot ever be fully fixed since at least some of the elements they consists of always have what Laclau and Mouffe (2001, p.111) call “surplus meaning”, meaning that elements can be fully or partially be articulated in different manners and thus are not part of a

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\(^3\) Here I am not trying to enter into a metatheoretical discussion of what discourse means. For example I am not trying to state that Laclau and Mouffe treat discourses as separate from a world external to thought or that discourses are separate from acts. What I have done is in a simplified manner place Laclau’s and Mouffe’s understanding of hegemony within Robert Cox’s separation of ideas, institutions and material capabilities as the levels that historical structures such as hegemonies consist of. As indicated previously, all three theories of hegemony include all the three leves in themselves and as I am trying to state, emphasize the level of ideas, but is not possible to extensively discuss this in this paper.

\(^4\) Here I have made a simplification, as actually Laclau and Mouffe (2001, p.105–111) make a distinction between elements and moments in a discourse. This distinction is not considered essential for the understanding of hegemony and hence omitted in order to simplify and shorten the theoretical argument.
single discursive structure; for example the element *body* can have different meanings in discursive structures related to human beings and wine.

Laclau and Mouffe (2001, p.115) use the concept ‘subject positions’ to designate the positioning of subjects within a discursive structure. These can be numerous, that is, individuals’ identities can be formed through various discursive structures. The actual formation of discursive structures and social and political identities occur ultimately through the consolidation or dissolution of frontiers of political spaces. Formations are created through articulations based on the logics of equivalence and difference (Laclau & Mouffe 2001, p.143–144). The logic of equivalence functions by creating a split in which certain identities are equivalentially expressed as negations of another discursive formation, while the logic of difference dissolves these equivalences (ibid.). The process of forming discursive structures occurs around, what Laclau and Mouffe (2001, p.113), call “nodal points”. Nodal points are relatively stable elements around which discursive formations are constructed. As an example of the previous we can consider the protests that took place in Seattle in 1999 where through the logic of equivalence in connection to the nodal point of a struggle for “another world” different movements connected to labour rights, the environment, trade etc. created a social formation in opposition to another one consisting of local government representatives, WTO member countries etc. Had the logic of difference prevailed amongst the protesters we would have seen more isolated protests where each group had tried to articulate their demands autonomously.

A hegemonic act refers to the construction of a discursive structure through articulation which “takes place through a confrontation with antagonistic articulatory practises” (Laclau & Mouffe 2001, p.135) Antagonistic relations are relations in which the presence of the ‘other’ is experienced as limit on the ‘self’. This is only possible with reference to something external to both (ibid.). Also, antagonisms have to exist before a hegemonic articulation is possible (ibid.). It is within this understanding that Laclau and Mouffe construct their political project of radical and plural democracy; According to Laclau and Mouffe it is through the establishment of democracy (understood most importantly as equality and secondarily as freedom) as a nodal point in modern societies that it has become possible to articulate discursive structures in which certain relations that were not treated before as unequal (=antagonistic) become to be treated as such (Laclau & Mouffe 2001, p.154–155). For example, according to Laclau and Mouffe, an advance in the treatment of women as equal to men occurred in 18th century England through the publication of a book in which democratic discourse was “[...] displaced from the field of political equality between citizens to the field of equality between the sexes.” (ibid.) What happens here is what Laclau and Mouffe (2001, 153–154) call the transformation of relations of subordination to relations of oppression – as a result of the reference to the “external” democracy a relation that once
established the unequal positions’ of women and men in society as simply differential is transformed into a site of antagonism/oppression in which women are not able to achieve their full identities. This is done through an articulation where the elements of equality of sexes and equality of citizens are connected equivalentially as parts of democracy and as a result their previous positions in the discursive structure of equality is transformed. In relation to the previous example, then, an act of hegemonic articulation would be to construct further equivalential connections of elements into the discourse of equality. The antagonistic terrain necessitated in the example would be established by forces that oppose the articulation of certain elements to the discourse of equality. For example, it can be said that gay people and their supporters are struggling for the establishment of such a hegemonic discourse in many societies in relation to marriage and adoption.

Indeed, the first central element of the strategy for the construction of a new order (that Laclau and Mouffe (2001, p.176) bestow upon the political left to implement,) is to construct hegemonic discourses which would in an ever-expanding and continuing manner include in themselves different separate discourses against oppression. The specific logic behind this articulation is, as Laclau and Mouffe (2001, p. 167) call it, radical and plural democracy. Pluralism thus refers to the existence of a plurality of different democratic struggles and hence subject positions within the hegemonic discourse. Pluralism is radical if the subject positions in a discursive system “[...] cannot be led back to a positive and unitary founding principle [...]” (ibid.) and “[...] each term of this plurality of identities finds within itself the principle of its own validity, without this having to be sought in a transcendent or underlying positive ground for the hierarchy of meaning of them all and the source and guarantee of their legitimacy” (ibid.). This radical pluralism is democratic “[...] to the extent that the autoconstitutivity of each one of its terms is the result of displacements of the egalitarian imaginary” (ibid.). As implied previously since there is no a priori essence for the task (beyond the democratic logic,) there is also no end to be achieved. Through this clause a further important note can be highlighted: since articulation cannot be led back to any essence but has to respect the autoconstitutivity of the plurality of its subject positions, hegemony in a radical and plural democratic form is always a compromise in which equivalences are established, while trying to respect the plurality of its elements, or in relation to democracy, a balance between demands for equality and freedom – a compromise which is a condition of its existence. (Laclau & Mouffe 2001, p.167, 182–183)

Several people (Norval 2000, p.219–232; Thomassen 2005, p.631–639; Brockelman 2003, p.183–208; Žižek in Brockelman 2003, p.189–208; Barnett 2004, p.503–528) have criticised Laclau’s and Mouffe’s conception of antagonism. One shared target has been the way Laclau and Mouffe collapse antagonism into meaning the limit of the social. Against this view it is argued that the identities are not always necessarily formed through friend/enemy relations and that antagonism
should thus be treated as one of the discursive forms of identity construction. Indeed, later Laclau (in Norval 2000, p.223) has introduced the more general notion of dislocation to refer to events of disruption of identities, hence positioning antagonism as a specific type of dislocation. While the previous offers only a partial solution to the criticism, it is argued here that none of the criticism highlighted above, however, targets the *leitmotif* Laclau and Mouffe establish for the struggle against inequalities through radical and plural democratic articulation, which is used as an analytical category later in the evaluation of the regional projects; For Laclau and Mouffe (in Angus 1998) the democratic struggle is about trying to transform antagonisms into agonisms, or in the words of Laclau:

“[...] how can we transform a friend-enemy relation into an adversarial relation, because the adversary is the one which is considered, in a certain respect, equal in the sense that we will not put into question his right or her right to defend their own position. They are part of the democratic community and they are part of the confrontation, while an enemy, of course, is somebody to which you negate the right to express his differences.” (ibid.)

Putting it in yet another way, the radical and plural democratic struggle is about trying to eliminate relations of inequality without destroying the other as the struggle itself is based on the logic of plurality meaning that the other’s existence must be accepted as legitimate beyond that which constitutes the relation to self as unequal.

Still, the logic of radical and plural democracy is not enough for the formulation of a hegemonic social project; it has to also include some “viable project for the reconstruction of specific areas of society” (Laclau & Mouffe 2001, p.189). This side is the creation of the “positivity of the social” (ibid.), or, what makes the “inside” the social formation. Here again Laclau and Mouffe (ibid.) affirm the practical necessity for compromise mentioned previously: a situation of hegemony [in connection to radical and plural democracy; own addition] is one in which “the management of the positivity of the social and articulation of the different democratic demands [have] achieved a maximum of integration.” There is no theoretical way to determine the maximum, it is something that has to be sought for in empirical historical situations.

Before moving on to establish the specific research questions of this paper, it must be mentioned that there are several more operationalisable components of hegemony in the theories of Gramsci, Cox and Laclau and Mouffe. One of those will be outlined here as it will help in understanding the way the projects are being advanced in case the two demands made by the civil society are not answered. The component can be highlighted by a hypothetical situation where the civil society participation is claimed in the constitutive treaty to be an essential component of the integration project, yet this is not advanced in practise. Indeed, it can be stated that even if the civil society’s demands can be stated to be reflected in the decisions that governments make in the institutional bodies of the integration projects, but civil society does not take part in the actual
decision making or cannot be shown to at least having contributed to the decisions in some other form, the integration projects constitute what Antonio Gramsci (1971, p.105) has called “passive revolution”, where “[...] State replaces the local social groups in leading a struggle of renewal” (Laclau & Mouffe 1971, p.105–106). This highlights the limit of democracy in Laclau’s and Mouffe’s theory (but not the limit of the theory as indicated in the end of this paragraph!): even if through an articulation of a democratic discursive formation subject positions are changed in a way that treats new positions as equal it does not “leave” the moment of struggle in a social formation. That is, what remains is to achieve this equality also at the level of social formations5, such as integration projects. “Passive revolution” reminds us of this.

Yet it must also be stated that if Gramsci’s concept would be strictly interpreted, in the sense of the implication in it that social groups must be the leaders, we would be back in the essentialism opposed by Laclau and Mouffe. Thus here passive revolution is used more in the sense of change in the power relations between classes in state that involves no mass participation, as originally conceived by Vincenzo Guoco (in Gramsci 1971, p.59), from whom Gramsci adopted the concept. Adapted to the integration projects, passive revolution would mean a situation where even if the projects were based on ideas that civil society supports and has called for, civil society does not participate in the actual implementation process of those ideas. Still, this extension to Laclau’s and Mouffe’s theory is argued to be in line with their idea of the necessity of plurality of subject positions in a hegemonic discourse of radical and plural democracy and also implied in their (Laclau & Mouffe 2001, p.109) statement that “[...] articulation [...] cannot consist of purely linguistic phenomena; but must instead pierce the entire material density of the multifarious institutions, [...] through which a discursive formation [such as hegemony, own addition] is structured.”

2.2. Method

In the following I shall briefly clarify what are the main sources used in the analysis, establish some theoretical and empirical limits for the analysis as well as elaborate the research questions.

The main sources for governmental level ideas will be joint presidential declarations, treaties and other official joint documents related or directly connected to the integration projects. As principal sources for the civil society’s ideas I use different declarations, open letters and manifests produced in regional level events such as the People’s Summits, World Social Forums and the Summit for the Friendship and Integration of the Iberoamerican People as well as similar

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5 Here it is not claimed that discursive formations are the concomitant with social formations. For a detailed discussion of their relationship, see Laclau & Mouffe 2001, p.143–144.
documents produced by coalitions such as the Hemispheric Social Alliance and Enlazando Alternativas, which do not focus solely on regional integration, but are behind many of the events concerning the regional projects. These coalitions of civil society representatives will be from here onward called social forces in accordance with Gramsci’s theory of hegemony. However ‘civil society (representatives)’ will be used in situations where it is deemed more appropriate.

In this paper the consideration of historical change in the articulations at the level of both governmental and social forces is bracketed, and even if the analysed documents are from different historical moments they are considered as forming a single discursive formation. Further, I shall not go into the details of who are the specific entities who signed each of the documents, but again treat the documents as representations of the ideas of rather simple categories of social forces and governments. Neither do I study the obvious debates and differences in opinion behind the analysed documents. These limitations are acknowledged and the results should not be read as revealing of the reality “out there” something beyond the context how it is constructed here.

Finally I have chosen the “What Washington Means by Policy Reform” document from 1990 by John Williamson (2002) outlining the ten “theses” as the specific indicator of the ideas of neoliberalism in the region. These theses have become known as the Washington Consensus. Williamson's paper consisted of ten reform topics that he believed everybody in Washington wanted to see the Latin American countries to undertake. The theses were:

1) Fiscal Discipline  
2) Public Expenditure Priorities  
3) Tax Reform  
4) Positive Market Based Interest Rates  
5) Competitive Exchange Rates  
6) Trade liberalization  
7) Liberalisation of Foreign Direct Investment (FDI)  
8) Privatisation  
9) Deregulation  
10) Secure Property Rights

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6 However, social forces were not limited to any specific group in civil society by Gramsci. The civil society representatives making demands on governments that are studied here are thus just a group of social forces to whom the author has decided to focus on.  
7 According to his own words, Williamson (2002) meant by Washington the United States Congress and senior members of the government, international financial institutions (such as the IMF and World Bank), United States government’s own economic institutions, the board of directors of the U.S. Central Bank as well as different Washington-based think thanks.
I shall discuss the theses more specifically in the analysis. A summarised list of their content is included as Annex A.

The original content of the Consensus can be found in most of the IMF and World Bank funding programs that have been conducted in Latin America from 1980’s onwards and its’ connections to specific neoliberal economic theories is also evident, for example in its’ emphasis on privatisations and trade liberalisation (Peet 2003). The Consensus as well as the IMF and World Bank institutions that have pushed for its implementation have been linked to neoliberalism by many (See, for example, Peet 2003, Petras 2004, Dúmenil & Lévy 2004, Husson 1996, Harvey 2005). Therefore I argue that Williamson’s document represents a whole, which is consistent and specific yet general enough to represent the ideas of neoliberalism Latin America.

The key hypothesis in the paper is that the demands made by the Latin American civil society in the context of regional integration – an alternative development model to neoliberalism and its participation in the creation of the alternative – are in line with the two basic components of the strategy for the construction of a new order defined by Laclau and Mouffe – the existence of proposals for the positive organisation of the social (here; the integration projects) and the logic of radical and plural democracy. The latter in the sense that if only governmental entities such as presidents, ministers, etc. are the ones articulating the ideas that guide the projects and even if these ideas are shared by the social forces in a way that can be said to be based on a radical and plural democratic discourse, the projects constitute at best a passive revolution since the participation of the masses is left out it. Accepting these premises opens the way for the analysis of whether or not the projects are being constructed in accordance with the rest of the conditions of such a strategy.

Before elaborating how this is done a few other aspects are taken as starting points rather than objects of analysis: 1) The civil society's documents used in the analysis will show that around the nodal points of integration and the search for alternatives to neoliberalism a plurality of what Laclau and Mouffe call “subject positions” is being connected through the logic of equivalence thus constituting a process of articulation. 2) This is done in antagonistic terrain in the sense that the social forces’ articulation competes with neoliberalism for the position of guiding the integration projects, albeit this admittedly occurs in a rather existential form since it is not claimed (, nor denied, )that certain entities for example at the governmental level are deliberately pushing for neoliberal ideas to guide the integration projects, but rather that neoliberalism is what social forces are claiming has been guiding Latin American development and they treat is as something that is antagonistic to them becoming themselves as equals, as possessors of social security, as protectors of the environment etc. 3) Simultaneously the demands are treated as democratic demands since they are demands made by subjects in a relation of oppression. 4) Thus we can speak
of a hegemonic discourse among the social forces which operating with the logic democratic plurality. What remains to be revealed of the strategy for an alternative order are the following components:

1) Identifying “the positivity” of the discursive formations at the level of governments. In practise this means outlining the main ideas, the nodal points, at the governmental level concerning each integration project. At the same time these ideas are compared to those of neoliberalism. This component reveals whether the projects are constructed around ideas that support or challenge neoliberalism.

2) In order to evaluate the integration projects specifically in relation to hegemony and radical and plural democracy the first task will be to answer the question of to what extent the nodal points of the integration projects are the same between the governmental level and the social forces. This consists of a) comparing the ideas identified above concerning goals and tasks of the projects to those demanded by the social forces and b) establishing if the relationship to neoliberalism is constructed also at the governmental level as antagonistic in the sense of explicitly establishing the integration projects’ goals in connection to a discourse that treats the neoliberal ideas as something that do not enable the achievement of those goals. The absence of such discursive construction reveals that the discursive structure guiding the integration project is different to that called for by the social forces and thus also the absence of a hegemonic discourse between the two levels.

In the context of the affirmation of a hegemonic project the next task is to reveal to what extent the project(s) is/are articulated in accordance with radical and plural democracy. Plurality is affirmed at the same time since here it is analysed only in connection to the defined representatives of civil society and the governments; if there is a hegemonic discourse between them this conversely means that there is plurality of subject positions within the analytical limits put by the analyst. Radicality is evaluated in the sense of establishing whether the main ideas guiding the integration project(s) is/are derived from some essential origin. Democracy is analysed in two ways: 1) are the articulations based on a logic where the pursuit to transform the antagonistic relationship (to neoliberalism) still accepts the existence of the other? 2) What are the power relations between the governmental entities and social forces in the integration projects institutional structure? The very existence of official founding documents signed solely by the governments indicate that in effect at least up to the point of formally establishing the integration projects the governments are ultimately deciding the ideas directing the integration projects. Hence up to that point the possible hegemonic discourse has been established in an undemocratic way in the context of the projects. What remains to be revealed is whether or not the social forces are included in the
subsequent power structure of the actual concrete project and thus their participation made effective in the articulation of the future ideas guiding the projects.

3. Latin American regionalism in a neoliberal world order – The two cases

According to Emir Sader (2005, p.59) during the last 15 years (counting from 2005) no less than eleven presidents had to end their mandates prematurely as a result of the opposition to neoliberal policies originating from the countries’ different social forces. Subsequent presidents such as Hugo Chávez of Venezuela (1999->), Luiz Inacio Lula da Silva (2002->) have gained their positions through campaigns that have promised change. Both Lula and Chávez have given continental integration a prominent place in their political agendas: Chávez rewrote Venezuela’s constitution as one his first acts in power; in its preamble continental integration appears in the form of "[…] giving impulse and consolidating Latin American integration […]" (Constitución 1999, preámbulo). In a similar manner Lula told in his inaugural speech that “[…] a great priority in my government’s foreign policy will be the construction of a South America that is […] unified […]” (Da Silva 2003, p.10).

Lula and Chávez have also connected regional integration to a discourse of change as well as criticised neoliberalism: Chávez (1999) called neoliberalism “barbaric” in his inaugural speech and is well known for continuing with the same style. Regional integration is directly connected to this critique: the Bolivarian Alliance for the Peoples of Our America (ALBA) has been in formal existence since the 2004 ratification of the first agreement (ALBA 2004) between Venezuela and Cuba. In the declaration concerning the formation of ALBA (ALBA 2004) it is openly stated that one of ALBA’s objectives is to form an alternative to the now-defunct “neoliberal” bi-continental integration project FTAA (Free Trade Area of the Americas). FTAA and integration on a neoliberal basis are deemed to cause among other things growth of poverty and “unprecedented levels of dependence and subordination” (ibid).

Lula’s discourse has been more moderate and without explicit connections of his regional agenda to an anti-neoliberal discourse; although Lula has criticised “the almost three decades of mistakes committed in the name of neoliberalism” (Da Silva 2009), he has emphasised regional integration as a way to enable the region’s countries to “amplify our room for manoeuvre”

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8 “[…] impulse y consolide la integración latinoamericana […]”. Own translation.
9 “[…] a grande prioridade da política externa durante o meu Governo será a construção de uma América do Sul […] unida […]”. Own translation.
10 Today ALBA includes nine countries: Venezuela, Cuba, Bolivia, Nicaragua, Dominica, Honduras, Ecuador, Saint Vincent and the Grenadines as well as Antigua and Barbuda.
11 “[…] niveles de dependencia y subordinación sin precedentes.” Own translation.
12 “[…] quase três décadas de equívocos cometidos em nome do neoliberalismo.” Own translation.
(Da Silva 2005) when engaging in international politics as well as being able to hold their “heads up” (ibid.) in international negotiations. In practice Lula has advanced a wide-ranging continental integration project, UNASUR (Union of South American Nations), which has its origin in the initiatives of Brazil's previous president, Fernando Henrique Cardoso, put forward at the first summit of South American presidents in Brasília in 2000. Yet significant progress was only made in June 2003 when Lula made a concrete proposal (Mercosur 2003) at the Mercosur presidential reunion in Paraguay to advance the social, political, physical and economical integration of South America through Mercosur and also to create a South American common market through the integration of Mercosur and CAN. Finally in December 2004 all the leaders of South American governments declared to form the South American Community of Nations (SCN). The Cusco declaration (CSN 2004) followed to a large extent the lines drawn by Cardoso and Lula, such as placing emphasis in the continuing efforts to promote the convergence of Mercosur and CAN as well as infrastructural and energy integration. Yet another turn occurred again in Brasilia in May 2008 when the same countries decided to create the Union of South American Nations.

As indicated previously, the regional integration projects that Lula and Chávez are leading have become objects of interest of several social forces who believe that “[…] it is possible to create a different integration […] moving away from neoliberalism […]” (Enlazando Alternativas 2008) and place hopes that the current integration projects would confirm this belief. Another shared view is that the civil society should also be integrally involved in the projects – in their implementation as well as operation, not just as observers or occasional consultants.

The comparative analysis will begin with ALBA and then continue with UNASUR. Although as a social scientist I am not able to provide a deep analysis of the more economic aspects of the ideas of neoliberalism, I believe that by tracing the main principles of the different ideas it is possible to provide convincing arguments concerning my research questions. Although the ideas of the Consensus will guide the comparative analysis I shall also try to, when the sources have so revealed, highlight elements that go beyond the ideas of the Consensus. The answers to the questions concerning hegemony and radical and plural democracy will be answered in a separate chapter.

4. ALBA

In 2001 at the 3rd Summit of Heads of State and Government of the Association of Caribbean States president Chávez (Portal ALBA 2004) stated: “[e]ither we unite or we drown. We shall thus

13 “[…] nos habilitam a ampliar nossos horizontes de atuação.” Own translation.
14 “[…] cabeça erguida […]” Own translation.
choose the alternatives.”¹⁵ The alternative he was explicitly referring to was ALBA. Chávez has also claimed in more general terms that “[...] the ALBA is the alternative path to the neoliberal hegemony which is destroying the world” (ABN 2008). In addition and more profoundly, it has been stated that ALBA’s main priority is to “[...] break away from capitalist logic [...]” (Bossi 2009). Thus, it is evident from the outset that ALBA has not only been put forward as an alternative to the Washington Consensus but more profoundly to all other possible forms of capitalism¹⁶.

ALBA’s alternativeness manifests clearly at least if we compare the position of economy in the official discourse to the Consensus: ALBA is guided by the idea that it is first and foremost a political tool in which trade and investments are subordinate to such things as making Latin American societies more just and participatory as well as guaranteeing social equality and Latin America’s independence (Bossi 2009; ALBA 2004). In contrast, as John Williamson (1990) wrote, the Washington Consensus was based on the idea that while political issues concerning Latin America such as human rights were important, they were subordinate to economic issues as it was believed that it was through economic development that political issues were to be resolved.

If we compare the more specific ideas of ALBA and the Washington Consensus, the relationship is not as clear cut as the above might suggest: In ALBA there is no mentioning of fiscal discipline or of tax reform in the different official documents that the author has come across. The absence of this type of specific clauses concerning economic policies at the national level highlights ALBA’s idea to be first a project of political rather than economic integration as well as it’s advocacy of the countries’ “[...] right to freely choose […] political, social and economic systems.”(ALBA 2005). As what comes to public expenditure priorities the difference in comparison to the Consensus seems to be on the method but not so much on the target: Like in the Consensus, education, health, the disadvantaged and infrastructure are also priorities in ALBA; For example in the first ALBA treaties between Venezuela and Cuba and later with the two and Bolivia eradicating illiteracy is set as one of the founding articles. The treaties also include practical actions to finance different infrastructural projects, provide medical experts and services and offer free health care services (ALBA 2004; ALBA 2006).

Some of the above-mentioned include or are completely constructed as subsidies: For example Cuba has agreed to pay for the salaries of the oftamologists it has sent to Bolivia and to pay a guaranteed price for the oil it buys from Venezuela (ibid.). In addition, Venezuela has guaranteed to offer the ALBA members a take on its Orinoco belt oil reserves guaranteeing energy supplies to them for the next 25 years (ALBA 2007) as well as financing and deferred payments to poorer member countries (the actual sums and deadlines depending on the price of oil) (ALBA

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¹⁵ “[o] nos unimos o nos hundimos. Escojamos pues las alternativas.” Own translation.

¹⁶ As mentioned, in the following I shall nonetheless compare the basic ideas concerning ALBA to the Washington Consensus, thus leaving out a broader analysis of its relationship to capitalism.
While Cuba’s solidarity to offer free medical aid to other member countries does not seem to contradict the Consensus as the subsidies are clearly in “human capital” approved in the Consensus, subsidised oil prices’ and loan conditions’ connection to it are at least more complicated especially if we take into consider the Consensus call for marked based interest rates;

In relation to the Consensus’ views on positive market based interest rates and competitive exchange rates ALBA seems to go in a completely different direction: As has been highlighted ALBA is founded on the idea that the market is not the one who should lead but the one that follows thus contradicting the Consensus’ idea that the ”markets know best”. In addition, even if the above idea is sidelined in the case of the exchange rates, ALBA is a project that opposes the logic given to it in the Consensus; ALBA’s purpose to enable the Latin American countries to be independent is essentially produced through inward orientation at the regional level. That is, the outward orientation of the Consensus meant “outside of Latin America”, but ALBA is exactly about the opposite – it places emphasis on the “inside” of Latin America. What follows more specifically in connection to interest and exchange rates is manifested in, for example, the previously mentioned energy contracts where interest rates are set by the member countries and in the Sucre currency and ALBA bank -projects. The Sucre functions currently only virtually but is about creating a shared currency in order to work “as a tool for achieving monetary and financial sovereignty, eliminating dependence on the U.S. dollar in regional trade, reducing asymmetries and the gradual consolidation of an economic zone of shared development” (Choike 2009). The ALBA bank, established primarily to fund economic and social projects in accordance with ALBA’s basic values, according to Chávez, shows that “[w]e don't need the gringo money with these undignified conditions to continue exploiting the people. You can take your millions” (Fox 2009). What the latter two projects indicate is a deliberate project to reduce the ALBA countries’ dependency on the “outside”. Therefore arguments concerning proper interest rates in order not to alienate (foreign) capital investments or a competitive exchange rate, which translates, for example, into cheap prices for foreign buyers, become secondary to the primary goals to increase trade among the member countries and reducing “outsider” influence in the region.

In connection to liberalization of trade and foreign direct investment (FDI) ALBA and the Consensus share affinities as also in ALBA they are treated as actions to be implemented; for example import liberalisation is evident in the treaties signed by Venezuela and Cuba and in the People’s Trade Agreement. In the aforementioned both countries agree to cut “at once tariffs or any other barrier that may apply to any import” (ibid.) and in the latter Venezuela and Cuba agree to “[...] eliminate at once tariffs or any other barrier that may apply to Bolivian imports made by Cuba and Venezuela [...]” (ALBA 2006). In addition the People’s Trade Agreement states that “[a]ny state investments [in Bolivia, own addition] or joint ventures created between Bolivia and the States
of Venezuela and Cuba will be tax-exempt [...]” and “[a]ll Bolivian State investments, joint Bolivian ventures and private Bolivian enterprises operating in Cuba will be tax-exempt, during the period allocated to the return of capital [...]” (ibid.). However, although trade liberalisation and increases in FDI were parts of the Consensus they were articulated as elements of the outward orientated economic policy whereas in ALBA they have been transformed into elements of the opposite intra-regional orientation.

The preamble of the inaugural ALBA treaty (ALBA 2004) between Venezuela and Cuba states that “[...] an effective participation of the state as a regulator and coordinator of economic activity is required.”

This claim runs against both Consensus propositions of privatisation and deregulation as it clearly calls for state coordination of economy against private control and state regulation instead of deregulation. Based on the principle several “grand national” projects and companies have been initiated in ALBA. The grand national companies (GNC) are “[...] the absolute property of the States [...]” (ALBA 2008) (although association with private companies is permitted). Their production is directed primarily towards intra-ALBA markets, with a condition that only after these markets are satisfied can the possible excess be put to the international market (ibid.). This again is against the Consensus’ outward orientation. Nonetheless the grand national companies are not being developed on the basis of opposing the Consensus’ ideas of efficiency and self-sustainability that were behind the argument of privatisation as they are to oppose transnational companies which “[u]nder neoliberal hegemony [...] became the articulators of global economy [...]” (ibid.) and “[...] the pattern of transnational accumulation [that] devaluated the role of the State as the instigator of development whose position was assumed by the market” (ibid.). Indeed, the GNCs are expected to base themselves on productive efficiency and to be self-sustainable while at the same time inscribing themselves to ALBA’s principles (ibid.). In the following it is stated that this task might not be easy but also not impossible (ibid.). Although implicit, this points to the direction that privatisation and deregulation could help with efficiency, but because it would mean the loss of state control, the solutions have to be sought elsewhere.

Finally, by advancing state owned companies, ALBA also clearly emphasises public property against the Consensus emphasis of private property. In the same vein, the inaugural treaty

17 “[…] se requiere una efectiva participación del estado como regulador y coordinador de la actividad económica.” Own translation.

18 These grand national projects have been put forward in areas such as culture (ALBA Cultural Fund), trade (Grand-national Import and Export Company ALBAEXIM), energy (PETROALBA, ALBAGAS, ALBAELECTRIC), food (a future Joint Food Company), media (ALBA-TV), health care (ALBAMED) and development (Banco del ALBA).

19 “[...] de propiedad absoluta de los Estados [...]”. Own translation.

20 “[b]ajo la hegemonía del neoliberalismo [...] pasaron a ser el agente articulador de la economía mundial [...]”. Own translation.

21 “[...] el patrón de acumulación transnacional devaluó el papel del Estado como agente inductor del desarrollo cuyo lugar lo asumió el mercado.” Own translation.
between Venezuela and Cuba mentions cooperatives as a form of “mutually beneficial investments” (ALBA 2006). Additionally, for example at the national level Ecuador, Venezuela and Bolivia have gone through processes of nationalisation of private property during the mandates of their last presidents undermining the idea of stable and secure private property rights. These politics have been undertaken under the label “21st century socialism” in Venezuela (Ministerio 2007) and Ecuador (Telesur 2007), and “communitarian socialism” in Bolivia (Mercado 2009). Although these processes are not directly connected to ALBA, ALBA itself has recently become more explicitly socialist; one is unable to find the label in the official ALBA documents, and for example, in January 2008 Chávez (2008) spoke in connection to socialism that “[…] ALBA respects the particularities of everybody […]” and is “[…] open for debate.” Yet in June 2009 Ecuador’s President Correa stated openly and clearly that ALBA “[…] is a socialist project […]” (ABN 2009).

The point here is not to try and argue whether or not or to what extent ALBA is socialist, rather that just as there is a logical connection with advancing secure property rights to the ideas of classical capitalism and neoliberalism (, see ANNEX A), the same can be identified in the ALBA ideas of solidarity, cooperatives, state owned grand national companies and socialism, the last one being among other things about public or direct worker ownership and administration of the means of production. Thus in this sense ALBA is being articulated in a coherent manner in opposition to the Washington Consensus.

4.1. The ideas and positions of the social forces

Chávez has stated in relation to ALBA that the “people’s role is vital, like oxygen is to human beings” (Bossi 2009). Conversely, “the people”, in the form of intra- and extra regional coalitions of civil society organisations, have on several occasions, such as at the international Enlazando Alternativas 2 Summit in Vienna 2006 (Enlazando alternativas 2006), the fifth ALBA summit in Tintero Venezuela 2007 (Declaración 2007c), the reunion of the Coordinadora Latinoamericana de Organizaciones del Campo – Via Campesina in Guira de Melena Cuba 2009 (CLOC 2009) and the World Social Forum in Belém Brasil 2009 (Carta 2009), produced declarations and open letters where ALBA has as an important position in their struggle against neoliberalism. ALBA and its People’s Trade Agreement are mentioned, among other things, as a sign of a concrete and true relationship between integration and the search for alternatives to neoliberalism (Enlazando

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22 “[…] ALBA respeta las particularidades de cada quien […]”. Own translation.
23 “[…] se abre al debate.” Own translation.
24 “[…] un proyecto socialista […]”. Own translation.
Alternativas 2006), a tool for Latin American integration which “stems from the people” (Carta 2009), as “[...] instruments of liberation and emancipation of the people of Latin America and the Caribbean [...]” (Declaración 2007c) and as a way to “[...] achieve unity of action and the integration necessitated by the historical moment [...]” (CLOC 2009).

All the coalitions behind the above mentioned documents describe themselves not just as antineoliberal but also as anticapitalist, and in two (Carta 2009; CLOC 2009) it is stated that the ultimate goal is socialism. All in all the social forces form a discourse in the above mentioned document where ALBA’s guiding ideas are treated as their ideas in the sense of agreeing to “[...] promote ALBA’s principles [...]” (Carta 2009), claiming that “[o]ur struggles join forces [...] in ALBA [...]” (CLOC 2009) and that “[w]e believe in [...] ALBA [...]” (Declaración 2007c). For example all but the Via Campesina declarations mention the People’s Trade Agreement and/or the grand-national projects as ways to contribute to the fight against free trade and multinational companies.

On the other hand, none of the documents demonstrate opposition to any aspects of ALBA, although they do articulate as principles or objectives elements that do not appear in the official basic principles established in the first ALBA treaty (ALBA 2004), such as equal rights for women; fight against violence towards women, and child and slave labour; food sovereignty and agrarian reform. But it must be mentioned in connection to the previous demands that later a special council to deal with issues related to women has been established (Ministerio 2010) and treaties have been signed in the name of food sovereignty that include among other things the creation of an already-mentioned grand national food company (Radio La Primerísima 2009).

The process of institutionally integrating the social forces into the ALBA power structure was initiated by Chávez at the World Social Forum in 2006 (Consejo 2009). Later in 2007 in connection to the fifth ALBA summit the social forces produced a declaration where they proposed the creation of a “Consultive Planning Council of the Social Movements” in order to “[...] permit reach a participatory and protagonist democracy in accordance with the socially organised popular interests”, and decided to formulate a proposal for an ALBA social agenda as a response to the request of the leaders of the ALBA countries (Consejo 2009). The organisational mandate allows and calls for the inclusion of also social forces which are not from ALBA member

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25 “[...] desde los pueblos [...]”
26 “[...] instrumentos de liberación y emancipación de los pueblos de América Latina y el Caribe [...]”. Own translation.
27 “[...] lograr la unidad de acción y la integración que el momento histórico requiere [...]”. Own translation.
28 “[...] impulsa los principios del ALBA [...]”. Own translation.
29 “[...] [n]uestras luchas sumarán fuerzas [...] al ALBA [...]”. Own translation.
30 “[c]reemos en el [...] ALBA [...]”. Own translation.
31 “Consejo Consultivo Planificador de los Movimientos Sociales”. Own translation.
32 “[...] permita alcanzar una democracia participativa y protagónica de acuerdo a los intereses populares socialmente organizados.” Own translation.
countries or even within the region (ibid.). Indeed, Chávez has personally tried to advance the integration of labour unions from USA to ALBA via the Council in order to formulate global proposals and to “fill it [ALBA; own addition] with people because you are the ones who build these alternatives”\(^{33}\) (ABN 2009b).

Although the Council is still without a constitutive treaty\(^{34}\), its first reunion has already been organised (Consejo 2009). The social movements’ proposals for different projects made at the reunion were submitted to the decision-making of the ALBA member countries’ governments which were reunited for the VII ALBA summit (Consejo 2009; Ministerio 2009). The example indicates that at least before the actual constitutive treaty is signed the position of the social forces in ALBA’s decision making structure is mainly as a legitimator of decisions made above them and vice versa that the fulfilment of their demands is dependent on the decisions of the ALBA governments.

On the other hand, the social forces have been keen on maintaining an autonomous position in relation to the ALBA governments while maintaining the imperative to not relinquish regional integration to governments solely, but to also “stimulate integration based on popular power”\(^{35}\)(Carta 2009; Declaración 2007c). And as indicated, they have continuously organised joint events to articulate their position in relation to ALBA.

The last examples contribute to the actual formation of the relationship between the social forces and the governments in participatory democratic manner as they establish the position of the social movements as separate from ALBA’s institutional structure; that is, the social forces do not want to become “ALBA forces” but rather they establish themselves as “forces for ALBA”.

5. UNASUR

According to its constitutive treaty UNASUR its ultimate goals are the elimination of socioeconomic inequality, social inclusion, citizen participation, strengthening of democracy and reduction of asymmetries between the member states (UNASUR 2008a). Similarly to ALBA and thus in contrast to the Washington Consensus’ priorities, UNASUR is first and foremost a political project in the sense that a) the constitutive treaty’s primary strategies to achieve the goals have very little to do with the Consensus’ priorities, as in the cases of, for example, strengthening inter-member state dialogue, fighting against terrorism, illegal arms trade and drug trafficking and

\(^{33}\) “[…] hay que llenarla de pueblo porque son ustedes mismos quienes construyen estas alternativas”. Own translation.

\(^{34}\) Nonetheless it has already been decided that the Council operates through national coordinating chapters to be installed in each member country, each deciding the type and form of relationship they establish with their governments. At the moment national chapters have been founded in Venezuela, Cuba and Bolivia (Consejo 2009).

\(^{35}\) “[…] estimular procesos de integración, basados en un poder popular […].” Own translation.
consolidating a South American identity; b) the ones that have stronger links to the Consensus, such as poverty reduction and energy and infrastructure integration, are not connected to the Washington Consensus type discourse where advances in these areas occur by first advancing the private economic sector, and; c) strategies which are “purely” economic, such as trade promotion among member countries are subordinated to ideas that contradict the Consensus, as in the case of cooperation and complementarity in trade as well as calling for industrial and productive integration, which all contradict the Consensus’ idea of importance of competition to the economy (ibid). Also the CSN official documents’ statements that one of the essential components of the Community is “[...] economic integration [...]”\(^{36}\) (CSN 2005), priority being “[...] perfecting the free trade area (by integrating Mercosur and CAN; own addition) [...]”\(^{37}\) (CSN 2004) are gone from the UNASUR constitutive treaty. Economic integration is still a component of UNASUR, but it is not deemed essential (and nor is any other), it rather appears as one amongst the other types of integration that are being pursued: cultural, social, political, infrastructure, environmental and energy (UNASUR 2008a).

The fact that economic issues are not prominent in UNASUR means that a one-to-one detailed comparison to the ideas of the Washington Consensus is impossible since one is mainly about apples and the other about oranges. For example, explicit positions in relation to fiscal discipline, tax reform or liberalisation of FDI do not come up in official UNASUR documents. Their absence can be explained by the fact that, like in ALBA, in UNASUR the idea of “[...] non-intervention in internal affairs and self-determination of the people [...]”\(^{38}\) (Declaración 2009) is given priority or that they are dealt with at the Mercosur/CAN-level, which are not discussed in this paper. Still, as indicated above, the fact that other than economic issues are deemed important in UNASUR can in itself be seen as comparative difference to the Consensus. In addition other broad ideas connected to both as well as some specific ones can still be studied and compared:

First, in contrast to ALBA, UNASUR is not set up as an explicitly anti-neoliberal or anti-capitalist project – no such statements exist in the official UNASUR documents. The closest to this position is perhaps the declaration of the 2009 summit of the UNASUR presidents in Quito, where the leaders call for “[...] cooperation to push for a new international financial architecture [...]”\(^{39}\) (UNASUR 2009b), as it is possible to encounter declarations by several individual UNASUR leaders where this architecture is deemed neoliberal. Also, again in contrast to ALBA, UNASUR is based in a similar manner to the Consensus on an outward-oriented perspective; its first priority in the constitutive treaty includes the idea of “[...] UNASUR’s participation in the international

\(^{36}\)”[...] la integración económica [...].” Own translation.

\(^{37}\)”[...] perfeccionamiento de la zona de libre comercio [...].” Own translation.

\(^{38}\)”[...] la no injerencia en asuntos internos y autodeterminación de los pueblos [...].” Own translation.

\(^{39}\)”[...] la cooperación para el impulso de una nueva arquitectura financiera internacional [...].” Own translation.
scenario”\textsuperscript{40} (UNASUR 2008a) and later in the document it is stated that UNASUR “[…] will seek to consolidate mechanisms of cooperation with other regional groups, states and other entities with international legal personality […]”\textsuperscript{41} (ibid.). This outward orientated model of integration is justified with a belief that “[…] integration is a decisive pass towards strengthening multilateralism and the validity of justice in international relations in order to achieve a multipolar world”\textsuperscript{42} (ibid.). Thus, whereas in ALBA an inward oriented position is justified by the goal to seek alternatives to the neoliberal/capitalist system, in UNASUR it is not of significant importance if this system is neoliberal and capitalist or not – the goal of UNASUR is first about participating in the international system not changing it, or at least not changing it to a completely other one; seeking multipolarity is not connected to a view that neoliberalism or capitalism prevents its realisation, therefore the latter are not central elements in the UNASUR project.

Just as in ALBA we find in UNASUR’s constitutive treaty priorities that are similar to the Consensus’ view on public expenditure priorities: public infrastructure, health and education. However these are not connected to any discourse of how these goals should be achieved: via public/private funding, using subsidies? In practice infrastructure development is being advanced primarily through a Council of Infrastructure and Planning\textsuperscript{43}. Also a South American Health Council\textsuperscript{44} as well as a Council of Education, Culture, Science, Technology and Innovation\textsuperscript{45} have been recently founded. However, the Councils are still in the process of defining their activities, thus it is not possible to yet evaluate the way the projects they will be advancing are funded.

Again similarly to ALBA, the primary actions to be found at UNASUR level concerning monetary policy are not connected to establishing competitive exchange rates or market based interest rates as mandated in the Consensus but rather in establishing a common reserve fund, a regional payment system as well as regional compensation system like Sucre, with an ultimate goal of a regional currency UNASUR 2009b; UNASUR 2008b). But instead of arguments against “gringo money” or in turn of a more inward oriented development model, these projects are justified as using them to “[…] stabilise balance of payments in order to face up to transitory commercial imbalances and/or speculative attacks against a local currency”\textsuperscript{46} (UNASUR 2008b). The goals, although not exactly purely neoliberal, since it’s hard to imagine that negative balance of payments could be upheld indefinitely in any form of economic activity or a perspective that would

\textsuperscript{40} “[…] la participación de UNASUR en el escenario internacional”. Own translation.

\textsuperscript{41} “[…] buscará consolidar mecanismos de cooperación con otros grupos regionales, Estados y otras entidades con personalidad jurídica internacional […].” Own translation.

\textsuperscript{42} “[…] la integración es un paso decisivo hacia el fortalecimiento del multilateralismo y la vigencia del derecho en las relaciones internacionales para lograr un mundo multipolar […].” Own translation.

\textsuperscript{43} Consejo de Infraestructura y Planeamiento

\textsuperscript{44} Consejo de Salud Suramericano

\textsuperscript{45} Consejo de Educación, Cultura, Ciencia, Tecnología e Innovación

\textsuperscript{46} “[…] para la estabilización de la balanza de pagos con el objetivo de hacer frente a desequilibrios comerciales transitorios y/o ataques especulativos contra una moneda local.” Own translation.
consider speculative attacks as positive, are in line with the Consensus at least in the sense that as such they give a primarily economic argument for the projects through which they are to be achieved.

As stated earlier, there is no mention of advancing the Mercosur/CAN free trade area project any more in the UNASUR constitutive treaty or in the subsequent action plan for 2008–2009. Instead of trade liberalisation, the treaty calls for “[…] economic development that surpasses asymmetries by means of complementarity of the economies of the countries of South America […]”\(^{47}\) (UNASUR 2008a). When looking for similarities or differences in relation to privatisation one can find in the UNASUR action plan for 2008–2009 a reference to the PETROSUR project, which consists of mixed enterprises run by some of the UNASUR member states (UNASUR 2008b). Also, the constitutive treaty mentions cooperatives as one of those deserving special attention in productive and industrial integration, although private SMEs\(^{48}\) are listed as well (UNASUR 2008a).

The absence of priorities concerning implementation of privatisations or the primacy of private-run actions in economic affairs taken in combination with the previous mentions of projects for a regional reserve fund and currency as well as the call for complementarity in economic development, is indicative of UNASUR being based on the idea that the economy needs to be regulated at least to some extent in order to prevent it from being used in a harmful manner (, as in currency speculation,), and to provide for complementarity, and that states and collectively owned enterprises can operate fruitfully in the economy (, as in PETROSUR and cooperatives,). This position, although not as radically different as ALBA, still differs from the Consensus’ ideas of prioritising privatisation deregulation and trade liberalisation.

In relation to private property rights, the UNASUR countries have taken a strong stand for the “[…] supremacy of public health over commercial interests”\(^{49}\) (UNASUR-SALUD 2009). In practice this has meant that basing on the principles of solidarity, justice and equity found also in the UNASUR constitutive treaty (UNASUR 2008a) “[…] medicines, vaccines, ingredients and equipments needed to attend sicknesses of importance to public health, such as the pandemic flu, should be considered global public goods”\(^{50}\) (UNASUR-SALUD 2009). As a consequence: “[…] intellectual property rights do not impede, nor should impede Member Countries from adopting measures to protect Public Health […]”\(^{51}\) (ibid.). Thus at least in the area of health UNASUR

\(^{47}\) “[…]el desarrollo económico que supere las asimetrías mediante la complementación de las economías de los países de América del Sur […]”. Own translation.

\(^{48}\) small and medium size enterprises.

\(^{49}\) “[…] la supremacía de la salud pública sobre los intereses comerciales […]”. Own translation.

\(^{50}\) “[…] los medicamentos, vacunas, insumos y equipos que se requieren para atender enfermedades de importancia en salud pública, entre ellas la pandemia de influenza, deben considerarse bienes públicos globales.” Own translation.

\(^{51}\) “[…] los derechos de propiedad intelectual no impiden, ni deberán impedir, que los Estados Partes adopten medidas para proteger la Salud Pública […]”. Own translation.
contradicts the Consensus’ background assumption concerning private property rights, although not in the sense that its importance to economic performance is challenged, but that at least in health issues other considerations are more important than secure private property rights.

5.1. The ideas and positions of social forces

According to some civil society representatives the civil society's decision to support the UNASUR is the result of a debate organised by the Bolivian government in Cochamba between the governments of the CSN and the civil society in 2006 (Declaração 2009). In the Cochamba manifest the social forces called for “[…] authentic social participation”52 (Manifiesto 2006). In 2007 (Conclusiones 2007) a more elaborate position was put forward: Positioning themselves in a similar manner as in relation to ALBA, the social forces demanded that the independence of their organisations and ideas should be preserved in order to guarantee that their participation would not be instrumentalised and their suggestions respected. In addition it was concluded that instead of formulating the relationship between UNASUR and the social forces into some permanent institutional form (, although this was an additional option), this should happen as a process in which the most appropriate mechanisms were to be promoted in different instances, and that this should occur at thematic, national and regional levels. More specifically the social forces called for mechanisms that were transparent, gave access to information and generated spaces for dialogue between UNASUR’s institutional organs and them. They also wanted to promote discussion, proposals and exchange between other social forces over UNASUR’s priorities and fundamental decisions. Finally the Peoples Summit’s were mentioned as the most far reaching events to promote interaction between the social forces and the UNASUR entities, although it was agreed that this needed not happen on a yearly53 basis.

The social forces’ ideas on the content of an alternative integration found in the Cochamba manifest can be summarized as follows: cooperation, inhabitants’ rights, food sovereignty, state action over privatisations, equity, respect for the environment, gender equality and the respect, recognition and promotion of indigenous communities (Manifiesto 2006). Later these ideas have been complemented or substituted in several declarations by others such as: creation of decent jobs, defending migrant rights, universalising public education, wealth redistribution, creation of infrastructure based on local, national and regional demands with respect to indigenous’ and other groups’ territorial rights, strengthening democracy, strengthening state owned energy companies, nationalising strategic resources, using renewable energy forms, putting

52 “[…] una auténtica participación social.” Own translation.
53 Indeed, the subsequent Summit’s have been organised in connection to other than official UNASUR summits and their documents do not explicitly discuss UNASUR.
into existence the Banco del Sur and the other projects of the 2005 Quito declaration, suspending and cancelling free trade treaties, denouncing World Bank’s International Centre for Settlement of Investment Disputes (ICSID) and taking actions against U.S. military bases in the region (Declaración 2007a; Declaração 2009; Alianza 2009a; Alianza 2009b; Rodríguez 2009).

A brief comparison of the above listed ideas to the ones in the UNASUR treaty and other documents shows that a majority of the broad ideas are shared: for example in the constitutive treaty we find the ideas of cooperation, state action, equity, respect for the environment, defending migrant rights, universalising public education, responsible infrastructure creation and promotion of democracy (UNASUR 2008a). And as mentioned already, strengthening state owned energy companies has been a part of the 2008–2009 action plan. In addition UNASUR countries have declared to promote the development of renewable energy (Declaración 2007b). Some ideas have also been put into action: For example the Banco del Sur has come to existence and the other Quito projects are in the process of being implemented (UNASUR 2009b). The UNASUR countries are also studying the measures to be taken in relation to the new U.S. military action in the region (UNASUR 2009a). Still several of the social forces’ priorities have not been explicitly mentioned; exist in a modified form; or clear action in relation to them does not exist: Explicit mentions or actions in relation to gender equality or the support/promotion of indigenous communities, job creation, wealth redistribution or suspension or cancellation of free trade treaties are not found. Instead of food sovereignty the 2008–2009 Action Plan sets food security as a target (Planeamiento 2008). Nationalisations of resources and actions against the ICSID have been left to state level.54

As to the participation of social forces in UNASUR, according to Article 18 of the UNASUR constitutive treaty:

“[f]ull participation of the citizens is promoted in the process of South American integration and union through dialogue and interaction that is ample, democratic, transparent, pluralist, diverse and independent with the diverse social actors establishing effective channels of information, consultation and monitoring in different UNASUR instances.”55 (UNASUR 2008a)

The treaty also establishes the Council of delegates as the highest entity responsible for promoting citizen participation in the integration process as well as envisions the creation of “[…] innovative mechanisms and spaces that give incentive to discussion […]”56 (UNASUR 2008a) and states that

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54 For example Bolivia has nationalised its oil and gas reserves as well as denounced together with Ecuador the ICSID (ICSID 2009; ICSID 2007).
55 “Se promoverá la participación plena de la ciudadanía en el proceso de la integración y la unión suramericanas a través del diálogo y la interacción amplia, democrática, transparente, pluralista, diversa e independiente con los diversos actores sociales, estableciendo canales efectivos de información, consulta y seguimiento en las diferentes instancias de UNASUR.” Own translation.
56 “[…] mecanismos y espacios innovadores que incentiven la discusión […].” Own translation.
responses to proposals by citizens should be given “[…][...] adequate consideration and response”\(^{57}\) (ibid.). Yet, official UNASUR has not so far been open to much information, dialogue, transparency or participation: For example apart from the previously mentioned Cochamba reunion only two other major encounters with the civil society have been organised, and of those only one, in Quito 2007, about civil society participation while the other, again in Quito in 2009, was held to discuss the effects of the financial crisis in the region (Conclusiones 2007; Rodríguez 2009). Social forces have also complained over the fact that the first UNASUR action plan was not revealed to the public before the signing of the constitutive treaty (Declaração 2009.). In addition, perhaps the most important and at least the largest participatory project, the creation of the UNASUR parliament, set forward in the constitutive treaty, is still in the process of definition of its content.

In principle another way to analyse the existence of the aforementioned innovative mechanisms would be in connection to the previously mentioned thematic Councils that the UNASUR countries are establishing\(^{58}\). But while two of them have not even had their constitutive reunions, the others have not advanced much further, hence limiting the de facto possibilities for participation, and concomitantly its analysis. Nonetheless there is no indication that social forces have been participating in the creation of the Councils. In addition, the defence council has a proper website but at the moment nothing on civil society participation, nor is there any mention of such in its 2009 action plan (CDS 2009; CDS n.d.). However, in the health council’s first reunion the coordinating committees tasks are set to include the creation of a social communication plan to raise awareness in different instances, such as civil society organisation, of the Council’s existence and work, and promote spaces of dialogue for citizen participation (UNASUR/Comité 2009).

Because UNASUR is at the moment in many ways still existing more in paper than in practice, much is still open. But social forces have voiced their concern that while they regard UNASUR as a possibility to create an autonomous space with society’s participation “[…][...] it’s being advanced behind the backs of those […] who are the central objectives of the project […]”\(^{59}\) (Alianza 2008). Indeed, already in 2007 they emphasised that their proposals should be analysed and taken into appropriate consideration in order to assure a motivation for them continue the dialogue and participation in the project (Conclusiones 2007). This view found itself into the UNASUR constitutive treaty; time will show what will happen to it.

6. Integration in Latin America – projects for a new order?

\(^{57}\) “[…] una adecuada consideración y respuesta.” Own translation.  
\(^{58}\) At the moment they are the South American Defence Council, the South American Health Council, the South American Council of Social Development, the South American Council for Fight Against Drug Trafficking, the Council of Education, Culture, Science, Technology and Innovation and the Council of Infrastructure and Planning.  
\(^{59}\) “[…] adelantando a espaldas de los mismos […] que son el objetivo central del proyecto […]”. Own translation.
In this chapter I shall evaluate the integration projects in connection to the demands made by the civil society and the conditions of the project for a new order.

First, the comparison to the Washington Consensus revealed that the official ALBA discourse deals more with issues set forward in the Consensus than UNASUR. For example, no positions concerning the funding of public expenditure priorities or FDI were able to be established in UNASUR’s case, at least within the context of the analysed documents. But when it was possible to establish a comparison between the official ideas of the projects and the Consensus, ALBA appears as more of an alternative to neoliberalism than UNASUR: both projects share a fundamental difference in relation to the Consensus by advancing state activity in areas where the Consensus sought the opposite. For example, both projects favour governmental regulation of economy against the Consensus idea of deregulation and establish cooperation as a key form of trade against competition. ALBA also strongly pushes for state activity in trade as a participant and not just a controller. But overall the guiding ideas of ALBA appear more often to differ from the Consensus than UNASUR’s, as is the case, for example, in the inward-orientation of the previous and outward-orientation of the latter. Even when same elements appear, such as in trade liberalisations, they are connected within these discourses to other elements that end making these ensembles contradictory to each other. More importantly, ALBA’s ideas appear as substitutes to the Consensus’ ideas, as in the case of the already mentioned inward orientation, but also in the cases of public control and public ownership instead of privatisation and deregulation. In UNASUR’s case the analysis also revealed differences to the Consensus, such as giving priority to cooperation and complementarity in trade activities instead of competition and privatisation, but there was no indication that clearly established these as the only possible activities.

To the extent that ALBA offers more alternatives to the Consensus than UNASUR in the manner described above, it can be said, then, that ALBA is more of an answer to the social forces’ demand for an alternative development model to neoliberalism. The analysis also indicated that at least at the moment the “positive” demands made by the social forces on, for example, women’s rights and free trade are included to a larger extent in the official treaties and projects of ALBA than in UNASUR.

In relation to antagonism, the official ALBA discourse indeed treats neoliberalism in many ways as an antagonist; the first ALBA treaty states that a neoliberal integration would only cause more poverty and subordination to outside control. In relation to the ideas of Consensus, subordination is more specifically connected to free trade (in the form of the FTAA), privatisation, deregulation and private property rights that detach the governments from the economy and trade and open Latin American countries to the domination of gringo money and MNCs.
In relation to the question whether the transformation of antagonisms occurs in accordance with the democratic logic, the answer is obviously that it does not; as stated above, the position in the first ALBA treaty where ALBA is established as an alternative to the neoliberal model means that there is no room for neoliberalism in the discourse that establishes ALBA, otherwise it could not be an alternative to it. In this sense the antagonist of neoliberalism is eliminated rather than democratically given still space in the discourse. To the extent that neoliberalism is indeed the “enemy” there does not seem to be an alternative. But from the point of view of constructing a new order based on radical and plural democracy, ALBA then is rather a site of a popular struggle instead of a democratic struggle in the sense that for example the struggle against poverty or illiteracy is reduced to a struggle against neoliberalism. That is, offering policies that differ from neoliberalism is the essential logic that ALBA discourse establishes as the way towards its goals. To the extent that amongst the articulators of the official discourse it is understood that this struggle is not the only possible struggle connected to for example poverty there is nothing objectionable to ALBA from the perspective of expanding the radical and plural democratic logic in the world since ALBA is then to be understood as a site where certain forms of oppression are fought. But in itself the discourse of ALBA is not in accordance with the radicalism sought for by Laclau and Mouffe, since it is dominated by an essentialist core, that of struggle against neoliberalism. In the same vein, then, it can be stated that the demands made by the social forces are not in accordance with the logic of radical and plural democracy to the extent that they establish their demands in opposition to a single essential core of neoliberalism.

UNASUR appears very differently in the same light: in the official discourse there does not appear any essential entity, such as neoliberalism, to be preventing the achievement of UNASUR’s goals. Indeed, as established above, the relationship between the guiding ideas of UNASUR and neoliberalism appear as contradictory or different but not as antagonistic, in the sense that neoliberal policies would be treated as preventing for example socioeconomic equality. The above mentioned point needs to be emphasised: there is no single essential “enemy”. Instead the goals of the elimination of socioeconomic inequality, social inclusion, citizen participation, strengthening of democracy and reduction of asymmetries between the member states, face different enemies, such as illiteracy, terrorism, drug trafficking and an unjust power structure in the world order. In other words, instead of a dominance of the logic of equivalence, where for example illiteracy and terrorism could be “swapped” as the enemy in an oppressive/antagonistic relation, the logic of difference seems to prevail. In this sense then the mode of articulation follows the radical democratic logic where beyond the struggle for removal of oppressions the elements “auto-constitute” themselves. The justifications for them must be sought within the elements themselves.

In relation to the question of democratic change, however, the constitutive treaty or the other
documents analysed in this paper do not give sufficient information to answer each element individually. And the focus has been on the relationship with UNASUR and neoliberalism in which case the answer cannot be established since, as stated, neoliberalism does not appear as an antagonist.

Finally, the analysis revealed that at the moment the social forces demanding change have a limited role in the decision making structure of the integration projects. But in both projects there is potential for a diversity of mechanisms for participation: In ALBA this process is further developed since national chapters of the social movements’ council and regional reunions have already started functioning whereas in UNASUR the parliament and the councils are still only being established. Still, also the ALBA council appears more as a consultation forum than something that gives actual decision making power to social forces. Thus at least up to now the label of a passive revolution fits to describe the power relations between the governments and the social forces.

From the perspective of constructing an alternative order to neoliberalism, the demand made by the social forces is clearly fulfilled more in ALBA than in UNASUR. The hegemonic discourses between the levels of governments and social forces are similar in many ways and more importantly are articulated around an essentialist nodal point of neoliberalism as the antagonist. Based on the analysis conducted here it is not possible to affirm or deny that UNASUR could not provide solutions to, for example, the struggle for women’s rights or poverty but only that to the extent that social forces are demanding that the goals are to be sought in connection to policies that differ from the Washington Consensus UNASUR is at least an ambiguous project. Yet this ambiguity pushes UNASUR towards what Laclau and Mouffe establish as the way towards a more radical and plural democratic order: the antagonisms it seeks to remove, and hence the democratic struggle, is not established in relation to a single enemy. On the contrary different struggles are fought through UNASUR, in this sense it is established in a more radical and plural form. However, in both projects the solutions, the positive proposals, to overcome the antagonisms are still being formulated. The battles for the new order are only starting.
ANNEX A: The Washington Consensus (Williamson 2002)

- Fiscal Discipline

Essentially this proposal was based on the view that “large and sustained fiscal deficits are a primary source of macroeconomic dislocation in the forms of inflation, payments deficits, and capital flight.”

- Public Expenditure Priorities

Here the idea was that “[p]olicy reform with regard to public expenditure is thus perceived to consist of switching expenditure from subsidies toward education and health (especially to benefit the disadvantaged) and infrastructure investment.”

- Tax Reform

According to Williamson, although most in Washington regarded tax increases as an inferior solution for fiscal deficits than cutting expenditures, there was a consensus that the tax base had to be broad with moderate marginal tax rates.

- Positive Market Based Interest Rates and Competitive Exchange Rates

The Consensus emphasised private markets as the appropriate definers of interest rates as well as exchange rates. This view was based on the idea that markets know best what the rates should be. In addition it was considered that “real interest rates should be positive, so as to discourage capital flight and, according to some, increase savings.” However, in the case of the exchange rates more importance was placed on the rates being competitive enough to encourage the development of an “outward oriented” economic policy than whether the rates were set by the markets or some other instance.

- Liberalization of Trade and Foreign Direct Investment (FDI)

Import liberalisation was regarded in the Consensus as the second element of an outward oriented economic policy. Similarly the idea behind FDI liberalisation was to attract foreign capital and know-how to Latin America, which could then be used to develop domestic markets as well as the export sector. But in contrast to the common view where neoliberalism is regarded as signifying the complete dismantling of trade and investment barriers, the Consensus held reservations to both: it was allowed that the developing countries of Latin America should be able to protect their infant industries and FDI liberalisation was not a priority.

- Privatization and Deregulation

John Williamson himself has claimed that the Washington Consensus coincided most with neoliberalism in its view on privatisation. The main motivation for advancing privatisation was the belief that companies functioned more efficiently under market instead of state control. As Williamson stated, private companies were motivated at least by competition and the threat of bankruptcy whereas state owned companies could at least in theory be kept alive with subsidies no matter what their actual performance. Deregulation was seen as yet another way to promote competition by, for example, cutting possible corruption as regulators in Latin America were usually underpaid public officials.

- Secure Property Rights
The public Washington Consensus has very little on the content of this proposition. Later Williamson has clarified that the idea was to provide the informal sector with the ability to gain property rights at an acceptable cost. Implicit in the view is the notion of the right to private property. According to Svetozar Pejovich (2005) this right is an essential part of so-called classical capitalism (which neoliberalism advances; own addition). Its starting point is that private ownership induces strong incentives on the owner to invest time and effort in his/her good in seeking the most beneficial use for it. Among other things private property rights protect the owner from redistribution of his/her wealth. Thus private property rights are a prerequisite for classical capitalism which is founded on pursuit of individual ends, self responsibility and self determination. Stable (or "secure", as in the Consensus title; own addition) private property rights on the other hand enable individuals to exploit the most beneficial exchange opportunities regardless of their time horizon.
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