

The New Strategic Regionalism in the ALBA-TCP: Alternatives to the Food and Energy Crises

MARIBEL APONTE GARCÍA

Introduction

Latin America and the Caribbean witness the configuration of what this chapter will denominate as ‘New Strategic Regionalism’. This process emerges at the beginning of the twenty-first century in the form of the Bolivarian Alliance for the Peoples of Our America--Peoples’ Trade Agreement (*Alianza Bolivariana para los Pueblos de Nuestra América--Tratado de Comercio de los Pueblos*, ALBA-TCP) which, in early 2012, is constituted by eight members, Antigua and Barbuda; Bolivia; Cuba; Dominica; Ecuador; Nicaragua; Saint Vincent and the Grenadines; Venezuela. However, at the ALBA-TCP Summit of 4-5 February 2012 in Caracas, Venezuela, which had the advancement of the creation and consolidation of an economic zone at its centre, Saint Lucia and Suriname joined as special members and Haiti initiated the process of accession.

This chapter proposes that the new strategic regionalism in Latin America and the Caribbean is characterized by three components: firstly, an emphasis on elements of the old strategic regionalism, especially the designation of strategic enterprises, products and sectors, and commercial and industrial alliances linked to the role of the State as a strategic actor; secondly, the concept of multidimensionality beyond the economic realm, and emergent commonalities in the ALBA-TCP socio-economic model; and, thirdly, economic policies articulated around the concept of sovereignty, and the conformation of geopolitical actorness as a region around these policies. I will apply this theorisation to an exploration of how the ALBA-TCP presents alternatives to the food and energy crises, and to an analysis of how these processes contribute to the transformation of the international political economy.¹ For a extended analysis see Aponte-García (2012).

¹ The research utilised an exploratory approach and two case studies, ALBA-Food and Petrocaribe. The exploratory study allowed for the formulation of the phenomenon with greater precision, clarifying the concepts and generating theory. Elements of grounded theory were integrated to establish categories relevant for research. Sources included speeches, official documents, semi-structured interviews and three video ethnographic field trips to Venezuela carried out in 2008, 2009 and 2011 respectively. The case studies were used as a theoretical sampling in the sense stated by Eisenhardt and Graebner (2007: 25), to construct theory. Theory construction based on case studies is a research strategy that involves the utilization of one or more cases to create the theoretical constructs and evidence based propositions

¹ Unless otherwise stated, translations from originals in Castilian are the authors’.

‘New Strategic Regionalism’: A Theoretical Framework

The following theoretical framework builds on three bodies of academic literature: old strategic regionalism; multidimensional and post-developmental regionalism and the emergent commonalities of an ALBA-TCP socio-economic model; and the constructs of sovereignty and geopolitical identity linked to the formation and actorness of regions.

Old Strategic Regionalism

Old strategic regionalism is centred around the concept of ‘new trade theory’, as articulated by Elhanan Helpman and Paul Krugman in the 1980s. The contribution of new trade theory was to introduce the concept of ‘the firm and imperfect competition’ into the then predominant models of international trade. Under traditional trade theory, the basis for international trade was the comparative advantage between nations, and the policy prescription was that it was free trade that would lead to growth. New trade theory states that once the firm and imperfect competition is introduced into the model, the pattern of trade ensuing will be unpredictable (Mikic, 1998: 174). Consequently, the effects of free trade are at most controversial (see Krugman and Obstfeld, 2009, chapter 6). This result was also tied to evidence that showed that the argument of linking free trade to economic growth was weak (Stiglitz, 2005: chapter 1; Rodrik, 2004: 16).

As a result, a new theoretical space opened up that justified the articulation of strategic trade and industrial policies to promote the growth of industrial sectors. The objective of strategic trade policy was to promote competitiveness of domestic firms versus foreign firms, to increase economic welfare or military security (Nollen and Quinn, 1994: 497). Strategic industrial policy combined elements of trade, financial and fiscal policies to target potential growth sectors and firms. Of course, other countries could retaliate and this could affect results. Strategic industrial policy also proposed articulating a strategy of cooperation around institutions--established at the level of central, local, or municipal government or other agencies (Best 1990; 2001). From the strategic industrial perspective, targeted industries are those with future growth potential for promoting development in the country or region. Within this vision, it was recommended that states articulate strategic trade and industrial policies to favour distinct enterprises and industries,

The argumentation proposed that it was the strategic trade and industrial policies tied to the targeting of firms and the advantages created by path dependence that explained the success of specific industries in particular regions. Accordingly, old strategic regionalism can be articulated at the level of countries, such as 1980/90s Japan and its Ministry of International Trade and Industry, industries (e.g. the case of electronics, see Borrus, Tyson and Zysman, 1986), and/or regional integration groups, such the United States of America promoted Free Trade of the Americas

(FTAA) . For José Briceño Ruiz, the FTAA is a ‘modality of old strategic regionalism that seeks to generate a growing economic regionalization in the Western Hemisphere. Regionalization here is sought to mean a production scheme favourable to the transnational enterprises’ (Briceño Ruiz, 2006: 32)

Multidimensionality and Commonalities of the Socio-economic Model

The ALBA-TCP is a process that incorporates elements of development-oriented regionalism. The definition outlined by Björn Hettne and Fredrik Söderbaum allows incorporating, into the concept of old strategic regionalism, the perspective of endogenous development and of the multidimensional aspects of ALBA-TCP in order to create the concept of new strategic regionalism. Subsequently, for Hettne and Söderbaum (2006: 198), post-development-oriented regionalism transcends the analysis and benefits of international trade. For them development is multidimensional through which trade integration is tied to other forms of economic integration and factors (investment, payments, monetary integration), as well as several types of economic cooperation in specific sectors (transportation, communications). Multi-dimensionality results in a variety of regional agreements directed by the State and non-state or hybrid entities, networks and governance mechanisms; it involves a rich variety of state and non-state actors, that are many times brought together in informal networks and multi-actor coalitions that operate at different levels within the world system (Hettne and Söderbaum, 2006: 183, 184).

The ALBA-TCP stands out as a case of multidimensional development-oriented regionalism that differs from other agreements, as trade integration is tied to other forms of integration thus approaching issues of education, health, and culture, amongst others (see Chapters 9, 11, 12, this volume).. Furthermore, regional investment and a new financial architecture articulated around the System of Regional Compensation (*Sistema Único de Compensación Regional*, SUCRE, see Chapter 8, this volume) stand out. This multidimensionality results in a variety of agreements directed by the State and by non-state actors, networks and governance mechanisms (see Chapters 3, 4, 13, this volume).

For the purpose of this chapter, multidimensional development-oriented regionalism is related to twenty-first century socialism, although there is not a one-to-one relationship or uniform pathway. In this sense, 21st century socialism presents diverse processes of transformation and debates. Thus, a characterisation of 21st century socialism is best constructed by comparing it to post-1980s neoliberalism and to real existing socialism of the 20th century. Neoliberalism postulated and promoted non-regulated markets, privatisation, capitalism with no state intervention, ‘capitalist democracy’ and free trade agreements. Real existing socialism postulated the elimination of markets, state property (and the elimination of private property), centralised planning, ‘socialist democracy’, the Council of Mutual Economic Assistance and no free trade agreements. 21st century socialism is being characterised by inclusive markets, diversity in

property forms, new debates including communal economy, solidarity economics, Sumak Kawsay, new forms of social and political participation and alternatives to free trade agreements in the form of the ALBA-TCP. Yet, each one of these areas brings debates as to its relationship with 21st century socialism (see Aponte-García 2009 for a discussion of the case solidarity economics-21st century socialism).

Although different countries formulate diverse proposals, integration and endogenous development among Venezuela, Bolivia, and Ecuador shapes some common elements. Addressing this issue, Emir Sader (2009: 176) states that Bolivian, Ecuadorian and Venezuelan processes converge into a singular strategy, and that these processes have initiated the construction of post-neoliberal models and a ‘third strategy’ in the history of Latin America’s left. The emergent alternatives begin to configure five commonalities in Venezuela, Bolivia and Ecuador regarding constitutive elements of a socio-economic model in which the ALBA-TCP is inscribed (Aponte-García, 2011: 187-188).

- “Endogenous development and integration are tied to a (re-)nationalisation of natural resources, especially of hydrocarbons in Venezuela (2003), Ecuador (2010) and Bolivia (2006), at a historical conjuncture where primary products and natural resources have passed from being undervalued to being strategic. In this way, control over and governance of non-renewable resources, such as petroleum and gas; renewable resources endangered by climatic changes and attempts of appropriation/privatisation, such as water; resources linked to food sovereignty acquire strategic importance and integration agreements around energy and food are structured within the ALBA-TCP.
- States are conferred important roles as economic actors. These dynamics, however, also break with state absolutisms of the past linked to ‘really existing socialist’ prescriptions and open up a space for both social and private economics. The role of the state as an important actor is what points toward and makes feasible strategic regionalism whereby public investments and state enterprises accomplish an important role. Furthermore, it ascribes an important role to the state in the management of foreign investment where benefits are guaranteed for the country and for technology transfer. Lastly, it ascribes an important role for the state in the control of linkages upstream and downstream in international chains of production and distribution. This regionalism differs from the old regionalism centred in the integration of markets and products.
- The production model is structured around a diversity and plurality in property forms; not around the old model of twentieth century socialism with an emphasis on state enterprises under the governance of a planned centralised system and the elimination of the market, but around a diversity and plurality in property forms. In the case of Bolivia, Vice-president Álvaro García-Linera summarised his perspective of the state’s role in the following words: ‘The State is the only “thing” that can unite society, it is

the one that involves the synthesis of the general will and the one that plans the strategic framework and the first cart of the economic locomotive. The second one is private Bolivian investment, the third is foreign investment; the fourth is microenterprise; the fifth, the peasant economy and the sixth, the indigenous economy. This is the strategic order in which the economy of the country must be structured' (Stefanoni 2006: 72). In the socialist productive model of Venezuela three components are identified: public enterprises, social economy enterprises, and private enterprises. Public enterprises are the dynamic institutions of the model, and through these enterprises the state reserves strategic productive activities for the development of the country directly responding to central planning (Giordani 2009: 124).

- The transformation of the economy is approached through new transdisciplinary viewpoints that transcend the conceptual limitations of capitalist neo-developmentalism and that incorporate other reflections and debates. These perspectives propose rescuing other knowledge for economics (*otros saberes para la economía*). Some examples are: endogenous development linked to *Vivir Bien* (in Bolivia) and to *El Buen Vivir* (in Ecuador) tied to the cosmovision and indigenous knowledge, to the pluri-ethnic; other economics for life; and solidarity economics." (Aponte, 2011: 187-189).
- The construction of a counter-hegemonic alternative project to neoliberalism and free trade agreements integrates socialist and non-socialist countries in a common agenda and regional actorness. Although not all ALBA member countries have adopted socialist standpoints (Dominica, Saint Vincent and the Grenadines and Antigua and Barbuda and recent newcomers Saint Lucia, Suriname and Haiti), socialist standpoints nurture transformations within the ALBA-TCP that lead to new strategic regionalism. This is captured in the quest for energy, food and financial sovereignty; as well as in the participation of the recently formed Community of Latin American and Caribbean States (Comunidad de Estados Latinoamericanos y Caribeños).

Sovereignty and Geopolitical Identity linked to the Formation and Actorness of Regions

This section conceptualises sovereignty and geopolitical identity linked to the formation and actorness of regions inspired by Luk Van Langenhove (2011), who outlines a social constructionist approach to analyse the formation of regions. For this author (2011: 3), regions exist only if they become part of identity projects. Van Langenhove (2011: 4, 98-99) identifies three engines of integration, each one linked to a domain of the sovereign State, to discuss the diverse varieties of regional integration processes: the removal of economic obstacles; the construction of provisions around common public goods; and the integration of sovereignty issues. The first two engines established by Van Langenhove are

integrated in the two conceptual components of new strategic regionalism and of multidimensional post-development regionalism. But it is the third engine, that of sovereignty, that in combination with the other two components allows for an analysis of how ALBA constitutes a new strategic regionalism.

For Van Langenhove,
Sovereignty exists in many and varied forms and is subject to changing interpretations. As such, it is not to be regarded as an absolute principle, but as a social construct. This means that sovereignty exists only through the recognition of others and through reciprocity.
(Van Langenhove, 2011: 18)

Here, sovereignty is not approached from the perspective of counter-hegemonic approaches based on political theory. For this type of approach, see Thomas Muhr (2011), who draws on Söderbaum and Van Langenhove's notion of 'generations' of regionalisms to analyse the ALBA-TCP, however, building on a the notion of third generation regionalism and political economy that emphasises politics and ideologies (Muhr, 2011b: 1). Although in the approach presented in this chapter, politics and ideologies are not addressed, reflecting on the work of Muhr and other European scholars' work (Van Langenhove 2011; Wunderlich 2008; Payne, 2006) led me to incorporate sovereignty and geopolitical identity as a third component in the definition of strategic regionalism that I had developed elsewhere. Sovereignty and geopolitical identity are thus utilized as a guiding principle in approaching ALBA-TCP's regional strategies as responses to address the food and energy crises, as will be elaborated in the subsequent two sections.

In the ALBA-TCP, sovereignty has become a crucial issue in the contemporary search to construct a new strategic regionalism. The concept of sovereignty is increasingly being constructed around the international political economy marked by the differentiation and the dynamic between national (including state and private enterprises) and international companies, particularly in the cases of Venezuela, Bolivia and Ecuador. Furthermore, in a political economy that seeks to construct alternatives to the neoliberal trade and financial mechanisms and institutions, this quest is taking form within the context of the triple crisis of food, energy and finance. In energy, the concept of sovereignty within the ALBA-TCP has been articulated around the re-nationalisation of hydrocarbons, the curbing of capital flight and the redistribution of profits generated from resources (especially hydrocarbons) toward social projects at the national levels, as well as in the creation of regional mixed state projects and enterprises. This means hydrocarbon sovereignty in Venezuela, Bolivia and Ecuador being tied to inclusive development, as redistribution can be said to focus on access to land, production, consumption, work and credit. Also, regionalisation efforts are channelled toward countries with convergent political affinities instead of international oil companies. According to Venezuelan president Hugo Chávez, the conceptualisation of sovereignty was partly the product of efforts in research, work, and knowledge appropriation.

The concept of sovereignty has also been applied to food resources in Bolivia, Venezuela, and Ecuador. These countries have either guaranteed food sovereignty as a constitutional right; enacted food sovereignty or security related legislation; and/or promoted agrarian reforms linked to food sovereignty rights. Furthermore, to alleviate the impact of the food crisis in Venezuela and Bolivia, strategic sectors have been designated per decree, including the four basic commodities corn, rice, wheat and soy, that comprise 75 per cent of the world's caloric intake, as well as other products (cacao in Venezuela and quinoa in Bolivia). . Sovereignty is also being articulated around a common ALBA-Food agenda, that has involved the launching of regional state enterprises in the form of grandnational enterprises.

Moreover, the government's role also includes the area of expropriations and finance. As previously indicated, financial sovereignty has been articulated around the construction of the Bank of the ALBA and the SUCRE (see Chapter 8). On 1 September 2011, Jorge Giordani, Venezuelan Minister of Popular Power for Planning and Finance (*Poder Popular de Planificación y Finanzas*), emphasized that the control of the petroleum industry, the establishment of legal regulation for gold, international alliances with open countries to unite efforts for the development of its people and the strengthening of the national productive apparatus are the four fundamental elements to attain financial sovereignty (Agencia Venezolana de Noticias, 2011: 1).

The following two sections seek to apply the theorisation of New Strategic Regionalism to explore how the ALBA-TCP presents alternatives to the food and energy crises, whilst analyzing how these processes contribute to the transformation of the international political economy.

The Political Economy of Petroleum, New Strategic Regionalism and Petroleum Sovereignty

The crucial issue in the international political economy of petroleum is defined by the relation between a country's proven oil reserves and its rate of oil consumption given that this non-renewable resource's reserves are being rapidly exhausted in the planet. In this relation, there are two basic contradictions: the largest consumer countries are not the largest owners of proven oil reserves; and in many of the countries with the largest proven reserves, oil is in the hands of national oil companies that belong to the Organisation of Petroleum Exporting Countries (OPEC), while most of the largest consumer countries do not have national oil companies and depend on private international oil companies. In fact, at present, "About 77% of the world's 1.1 trillion barrels in proven oil reserves is controlled by governments that significantly restrict access to international companies" (PFC Energy quoted in Blum, 2005: 1).

During the recent decades, national oil companies have risen to the level of equating and surpassing private international oil companies in expertise, size and impact in all aspects and in crude extraction in particular. These national enterprises come about as operational arms of the energy ministries of the respective countries and in many cases they assume functions that previously pertained solely to international oil companies, such as *Exxon-Mobil*, *Chevron*, *Conoco-Phillips*, *British Petroleum*, and *Total*. For instance, Venezuela's national oil company Petroleum of Venezuela (*Petróleos de Venezuela, Sociedad Anónima*, PDVSA) is among the seven top petroleum enterprises in the world, together with Saudi Aramco, Exxon-Mobil, Royal Dutch-Shell, National Iranian Oil, British Petroleum, and Chevron. The contradictions of the political economy of petroleum have exacerbated the race for the control of remaining reserves of this non-renewable resource, as stated by Vivoda (2009: 4): resource nationalism is back at the forefront of relations between host-governments and private international oil companies, and it 'translates into an anti-Western IOC [international oil companies] campaign' (Stevens, 2008: 26).

Full petroleum sovereignty is pursued as part of a series of measures that can be adopted by national oil companies to establish strategic industrial policies at the state level and strategic management at the firm level to seek sovereignty from private international oil companies. Sovereignty is therefore conceptualised as a response to the contradictions of the national oil companies/private international oil companies relation and as an alternative related to 21st century socialism. As a result, a new governance of strategic resources linked to development with inclusion is created. Strategic industrial policies and management practices are constructed around three practices--secure state ownership; increase in taxation; and implementation of a regional industrialisation policy. For instance, in the case of Venezuela, there are three elements that are new, all owing to the vision of the role of petroleum in national and regional economic development: firstly, governmental control over the national oil company PDVSA; secondly, application of an oil revenue utilization policy to fuel economic development within the country, to solve some of the specific problems of the impoverished nationally and in the ALBA-TCP region; and, thirdly, the development of a regional economic integration alternative based on oil and energy trade and investments.

In the Venezuelan case, President Hugo Chávez campaigned in the late 1990s promising to redirect petroleum revenues to solve the country's economic problems, and to correct the oil industry's position with respect to private international oil companies. State control of the industry had been relaxed because, despite the 1975 Nationalization Law, the national oil company PDVSA had been allowed to range away from the national interest toward more independence from the state, first through its internationalization during the 1980s, followed in the mid-1990s by the so-called *Aperture* when private foreign

oil companies were invited to invest in upstream operations (exploration and extraction) and to own operations in which they exercised control of more than the 50 per cent ownership as legalized by the 1975 law. Between 1995 and 1999, several mixed enterprises were established in Venezuela in which PDVSA owned less than 50 per cent. When the Chávez government entered office in 1999, stating that it would redirect oil income towards the relief and solution of the severe problems encountered by the population, it started to develop its strategy of securing state control over PDVSA.

Far from sovereignty being an isolated case in the Venezuelan petroleum industry, similar processes can be discerned in other hydrocarbon producing countries of South America, particularly in Bolivia and Ecuador. On 4 September 2007, the Ecuadorian government decreed that the 99 per cent of extraordinary profits from petroleum would be for Ecuadorians (instead of 50 per cent prior to the decree) (Correa-Delgado, 2007). Likewise, Bolivia renationalised its hydrocarbons on 1 May 2006. According to the decree, the new income distribution derived from the production of petroleum and gas would be of 82 per cent for the state and the remaining 18 per cent for the petroleum companies (Government of Bolivia, 2006,

New Strategic Regionalism and Full Petroleum Sovereignty in Petrocaribe

The Bolivarian Alliance purports to promote a regional industrialisation strategy within the oil industry. This strategy is articulated most significantly through Petrocaribe. Since 2005, the Petrocaribe agreement has been signed by 18 Caribbean countries, Antigua and Barbuda; Bahamas; Belize; Cuba; Dominica; Grenada; Guatemala; Guyana; Haiti; Honduras; Jamaica; Nicaragua; Dominican Republic; Saint Vincent and the Grenadines; Saint Lucia; Saint Kitts and Nevis; and Surinam.

Through Petrocaribe, a portion of the value of oil purchased by members from Venezuela is financed on the basis of an adjustable scale: if the price of petroleum in the world market is above United States dollars (USD) 30, Petrocaribe finances 25 per cent of the invoice; above USD 40, 30 per cent are financed; above USD 50, 40 per cent; above USD 100, 50 per cent (Girvan, 2008: 7-8). Fifty per cent of the total value has to be paid within 90 days of delivery; the other half is to be paid over 25 years, including a grace period of two years, at a two per cent interest rate, except for when the world market price is above USD 40, the interest charged is 1 per cent. The deferred payment (i.e. 50 per cent) is split into two parts: 25 per cent charged on credit to the purchasing country. The remaining 25 per cent is destined to the ALBA Caribe Fund administered by PDVSA to carry out economic and social projects with the purchasing country. Part of the payments can be made through exchange of products and services (Girvan, 2008: 7-8). For instance, Cuba pays part of its petroleum invoice by means of Cuban

medical and education workers in Venezuela, and through educational services Venezuelans receive in Cuba. The equivalence between the oil invoice and the services is calculated by intergovernmental commissions. This shows how energy integration is intimately entwined with health and education.

Through the Alba Caribe Fund, numerous projects have been financed in diverse areas and with differing socio-economic impact on regional development with inclusion. Examples include the Improvements and Expansion to the V.C. Bird International Airport in Antigua; Poverty Reduction and Expansion of Rural Education in Belize; the Housing Revolution in Dominica; and the Reconstruction of the Principal Market of Port au Prince in Haiti (PDVSA, 2008: 32-34).

One of the modalities of regional energy integration in production has been the constitution of mixed enterprises (refinery and distribution) between PDVSA and member state companies, in Dominica, Cuba, Belize, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Nicaragua, Grenada, and Jamaica (PDVSA, 2008: 29). USD 14,697 million have been invested in oil refineries, while 61, 257 direct and indirect jobs were created by 2008 (author's calculations based on PDVSA, 2008: 27, table XI). Electrical infrastructure projects cover between 20 per cent (Antigua and Barbuda) and 100 per cent (Dominica) of the demand for electricity (see PDVSA, 2008: 16-19). To the Caribbean countries, the savings in energy is significant.

Food Sovereignty, the Political Economy of the Food Crisis, and the New Strategic Regionalism

A comparative analysis between the contradictions of the international political economy of petroleum and food cannot follow a strict parallel construction due to the nature of the production and distribution of each industry. As regards petroleum, a national company owns the hydrocarbon resources and manages their production, refining and distribution. Food, however, is an industry where each sector is governed by diverse production and distribution chains and particularities. It is thus a more complex industry in the sense of integrating many different actors. In only one case of the ALBA-TCP member countries, Cuba, it can be said that national food companies dominate the entire industry. The following analysis of the contradictions of the international political economy of food will be organized around the differing concepts of food security and food sovereignty.

Conceptually, the approach to food crises has shifted from food security to food sovereignty. *Food security* initially centred on the availability of nutritious foods, and later on the right to food, above all due to the impact of Amartya Sen's *Entitlements and Hunger*. Accordingly, to the United Nations Food and Agriculture Organization (FAO), 'Food security exists when all persons have at all times physical and economic access to enough wholesome nutritious food to satisfy their food needs.' Therefore, it may be argued that food security implies

the following conditions: stability in the supply of wholesome foods without fluctuations or scarcities in function of seasonality; plus access to foods and the capacity to acquire them (López Flores, 2009-2010: 6).

Food sovereignty is centred around the right of peoples to define their own agricultural and food policies, with a priority on local production, small producers, fair prices for farmers, seed protection and public investment (Chiriboga, 2009: 4). Food sovereignty was defined by La Vía Campesina, a transnational peasant and farm workers organization that groups over 150 organizations of peasants, small producers, women, agricultural workers and indigenous agrarian communities, at the 1996 FAO World Food Summit, as..

...the right of peoples, communities and countries to define their own agricultural, labour, fishery, food and land policies so they can be ecologically, socially, economically and culturally appropriate to their unique circumstances. This includes the true right to food and to food production, which means that all peoples have the right to a wholesome, nutritious and culturally appropriate food supply, and to the resources for food production and to the capacity to support themselves and their societies (Hernández Navarro and Desmarais, 2009: 99).

When addressing food sovereignty, questioning the large-scale export monoculture of international corporations and agribusinesses, as well as the political economy of international food trade, is fundamental. In fact, proponents of the concept of food sovereignty state that the food crisis is not the crisis of the global productive capacity but, instead, of the model of large-scale industrial monoculture managed by agribusiness corporations articulated around a system of profits rather than human and environmental needs. Proponents of food sovereignty also question the political economy of the relationship between international food trade and the transnational corporation's agriculture and food processing model. In fact, they warn about the dangers of depending on international markets for food supplies, and favour policies to assure that a large proportion of food supplies be obtained locally. This difference is vital because in the definition of food security, there is no argumentation favouring local sources over imported supplies (Mathews, 2010: 3-5).

The important analytical observation for the purpose here is that the definition of food security may be compatible with the transnational agriculture and food processing model and the political economy of the international food trade. These are the two dimensions in the differentiation of the two concepts, which also underlies the construction of food sovereignty in the ALBA-TCP. At the international level, viewpoints are split between those who favour food sovereignty as the appropriate strategy and those who are closer to the standpoint of food security. The posture of food security is that food supplies should come from sources according to comparative advantage and international trade patterns, accepting the benefits and risk associated with such a strategy. This view defends the use of markets to guarantee food supplies at the lowest prices possible. Among

the recommendations that are articulated as an exit from the crisis, are the creation of emergency reserves, security and protection networks, market regulation, international trade policy and value chains for small farmers (Mathews, 2010: 5; De Schutter, 2010: 2).

As stated, proponents of food sovereignty warn about the dangers of depending on international markets for food supplies, instead favouring policies that assure that a large proportion of the food supplies come from domestic and local sources. They also point to the dangers of depending on volatile imports of a significant proportion of the country's supplies and criticize that the high barriers of international trade trap the countries in a high-cost strategy if they try to ensure food security (Mathews, 2010).

The transfer of the space of food security from the nation-state to the international ('free') market that favoured agribusiness corporations, was engineered during the Uruguay Round (1986-1994), anticipating the Agriculture Agreement of 1995 (McMichael, 2005: 281): 'Under this agreement, states no longer have the right to food self sufficiency as a national strategy. The minimum import rule of the WTO requires participating nations to allow imports of at least 5 per cent of the volume of domestic consumption'. "But the effect was that markets opened for the agricultural products of the North. Between 1970-2000, decreases in agricultural exports: Africa (from 10 to 3 percent), Latin America and the Caribbean (from 14 to 12 percent) and Less Developed Countries (from 5 to 1 per cent), contrasted with the increase for the North from 64 to 71 percent (FAOSTAT, 2004)' (McMichael, 2005: 283).

This is so, in spite of the fact that Article 25(1) of the United Nations Universal Human Rights Declaration , and Article 11 of the International Agreement on Economic, Social and Cultural Rights, consider that 'the right of peoples to exert their sovereignty over their natural wealth and resources was essential for the realization of human rights' (Desmarais, 2003: 148).

The current Doha Round proposed to facilitate '*trade-offs*' for the South, by means of which additional deregulation of Southern markets would be matched with possible concessions from the North. These concessions include: more free trade and greater access to markets for agricultural products in North countries, reductions in agricultural subsidies in the North, and reinforcement of differentiated treatment provisions to address the needs of food security and of rural development of the countries of the South (McMichael, 2005: 271).

Negotiations continue amidst stalemates and slow advances, with multitudes protesting around the sites of many of the meetings. Regarding the need to intensify the terms for addressing agriculture under the Doha Round, La Vía Campesina expressed: "Agricultural negotiations seem to be a struggle between the corporate elephants of agribusiness represented by the European Union, United States and the Cairns Group instead of a negotiation of how to establish just relationships and equitable international trade that protect production and

domestic food consumption and the world's environment.” (Wallach & Woodall, 2004: 215).

Food Strategic Enterprises in the ALBA-TCP

The ALBA-TCP has fostered an alternative in food sovereignty. In 2008, as a response to the food crisis, some ALBA-TCP member governments (Venezuela, Nicaragua, Bolivia, Ecuador, Saint Vincent and the Grenadines), together with other countries from the region (Honduras, Haiti, Panama, Guatemala, Mexico, Belize and Dominican Republic) gathered in Managua for the Presidential Summit on Sovereignty and Food Security “Food for Life”. These countries agreed, as stated in the Final Declaration dated May 7th, 2008, to twenty-five actions and common positions consonant with food sovereignty. In addition, Venezuela proposed “To create a Bank of Agricultural Raw Materials to diminish the cost of production to small and medium producers; to allocate \$100 million through the Bank of the ALBA to the agricultural portfolio, in order to fund the projects presented by the countries involved; to create a special plan within the framework of Petrocaribe to finance agricultural production, via special fuel quotas that affect production; To strengthen the power of States through the imposition of a special tax dedicated to creation of a special agricultural fund. • To advocate for the fight against drug trafficking, especially when it affects the expropriation of land that could be used for production. • To create a Center of Applied Studies for the strengthening of agricultural production. • To require the celebration of a Summit for oil producing countries, in search of a combined oil-alimentary formula, and to create a special agricultural fund (Venezuela)” (Final Declaration of Managua’s Presidential Summit Sovereignty and Alimentary Security: “Food for Life” , 2008).

The Food Trade Network and the Food Security ALBA Fund were created with the initial investment of USD 100 million mentioned above. A Joint Commission was created to organize and develop agribusiness projects in cereals, vegetables, meat and milk. State ownership is being promoted within the ALBA-TCP through the formation of regional mixed state enterprises called grandnational enterprises (GNEs). In the area of ALBA-TCP-Food, there are six GNEs that operate or are scheduled to operate in the near future: the ALBA-TCP-Rice; ALBA-TCP-Leguminous Plants; ALBA-TCP-Fish (*Pescalba*); ALBA-TCP-Poultry; ALBA-TCP-Porcine; ALBA-TCP-Milk Products; and ALBA-TCP-Wood.

Grandnational enterprises serve as lead firms and coordinators in networks and chains that integrate private, mixed and social economy firms into regional production chains. These initiatives incorporate diverse enterprises into the model. For instance, *Pescalba*, a grandnational enterprise between Cuba and Venezuela, integrates fishing councils and cooperatives as well as private (including small and family) enterprises into the chain. The ALBA-TCP-Poultry, a grandnational

enterprise between Cuba and Venezuela, has integrated private poultry farms that had been left idle, by providing financial alternatives and incorporating these into a vertical scheme of production. ALBA-Poultry then buys chickens from poultry farmers. The processing phase of operations is also left to a private enterprise to which ALBA-Poultry pays to process chickens. In the case of the Cuba--Venezuela cooperation, agronomists and engineers are contracted for technical services as part of the Program Inside the Countryside (*Programa Campo Adentro*). These technical services are arranged under the modality of compensated trade through which petroleum is exchanged for professional services (Wilpert, 2006: 255).

Technically speaking, agreements in food apply to all Petrocaribe member countries. Moreover, the Bolivarian Republic of Venezuela has also signed agreements or treaties in Food Sovereignty with non-ALBA-TCP countries, as is the case with Brazil, Argentina and Paraguay⁵ and agreements of technical cooperation and supplies have been negotiated with countries worldwide (number of agreements with each country in brackets), including Argentina (12), Belarus (8), Brazil (14), China (13), Cuba (14), Gambia (1), Netherlands (1), Iran (8), Nicaragua (2) and Vietnam (4).

These processes go hand in hand with food sovereignty initiatives and programs in several countries: Articles 16, 82 and 321 of Bolivia's new constitution of 2007 state that every person has the right to water and food. Policies related to agrarian reforms are addressed in Article 18 of the Framework Law Project of Bolivian Policy over the Human Right to Adequate Food (*Ante Proyecto de Ley Marco de la Política Boliviana sobre el Derecho Humano a una Alimentación Adecuada*), still pending formal approval, by stating the promotion of a just distribution of property (Asociación de Instituciones de Promoción y Educación, 2008: 11). Similarly, Articles 13 and 66 of Ecuador's new constitution of 2008, state that the right to food will be guaranteed to all citizens (Asamblea Constituyente, 2008). The 2006 Law of Food and Nutrition Sovereignty (Publicaciones de Legislación Económica, 2012) and Security and the 2009 Organic Law of Food Sovereignty Regime (Registro Oficial, 2009) point out the role of the State in the redistribution of land and in the creation of several institutions to make feasible food sovereignty initiatives (Consejo Nacional de Seguridad Alimentaria y Nutricional y Fondo Nacional de Seguridad Alimentaria y Nutricional). Nicaragua's Law of Food and Nutritional Sovereignty and Security and the measures it has passed to target rural and female-headed households such as land redistribution, subsidized staple foods, credit schemes in support of small and medium producers, among others, bear witness to its commitment to food sovereignty and security policies (Muhr, 2011a: 200). And, Article 305 of Venezuela's Bolivarian Constitution of 1999 states that the State will promote sustainable agriculture as a strategic base of integral rural development (Gaceta Oficial Extraordinaria, 2000). The 2008

⁵ See http://www.senado.gob.mx/iilsen/content/lineas/docs/varios/ana_seg_ali_paises.pdf.

Organic Law of Food Security and Sovereignty governs activities related to food security and sovereignty in order to guarantee access for the population (Gaceta Oficial de la República Bolivariana de Venezuela, 2008). Article 17 of the 2001 Law of Agrarian Development, with its partial reform of 2010, relates Agrarian reform policies with food sovereignty (Jaimes et. Al., 2002).

Concerning agrarian reforms, the following processes stand out. The Venezuelan Plan against Large Estates (*latifundios*) of 2005 ((Gaceta Oficial de la República Bolivariana de Venezuela, 2005), the Ecuadorian Land Plan for small peasant producers of 2009, and Bolivia's Agrarian Revolution with Law 3545 promoted since November 2006 (Rubio, 2009: 22). In Venezuela, the government has distributed more than a third of large estate holdings since 1998, and this process has benefited more than 180,000 peasants. However, in this process more than 200 peasants have been assassinated by mercenaries hired by local landowners as a reaction to peasants organising themselves around demands over land. In almost all cases, assassins have been able to evade justice or have been granted impunity (Camacaro and Schianovi, 2009; Clark, 2010: 145).

With regards to production policies, Rubio Vega emphasises (2009: 22-23) that "Within the scope of productive policies some important developments are the New National Rural Productive Bolivian Model that is part of Bolivia's Food Security and Sovereignty Policies. This model's core are the expansion of the state's role; the industrialisation of natural resources; modernisation and tecnification of small and medium rural production; production to satisfy the international market and later exports; and the distribution of wealth generated by the food and agriculture sectors. Ecuador is promoting rural development policies for the *Buen Vivir*, Sumak Kawsay, which is based on the Rural Development Plan that aims to achieve food sovereignty and increase income for small producers. In control policies over transnational agrifood enterprises, Venezuela has advanced most, according to some observers (Rubio Vega, 2009: 22-23). In 2009, the Chávez government intervened in two rice processing plants, one belonging to Polar Enterprises and the other a Cargill subsidiary, with the objective of impeding price speculation, guarantee production and palliate scarcity in markets (Rubio Vega, 2009: 22-23).

As in other ALBA-TCP member countries, programmes are implemented to guarantee access to food. Local consumption in Venezuela, for example, is guaranteed through Mission Mercal (*Misión Mercal*), PDVSA-Food (*Petróleos de Venezuela Alimentos*, PDVAL), socialist communal markets, and food fairs, that distribute food to local families according to their purchasing capacities. The Mission Mercal, which incorporates small enterprises and cooperatives into its network, operates in the areas of consumption, marketing and distribution to guarantee poor families access to basic food items. The mission comprises the following programmes: Food Homes, Nutritional Supplements, Mercal Network,

Distribution Centers, Type I Modules, Supermercal, Bodegas Mercal (Small Grocery Stores), Mobile Grocery Stores and Open Megamarkets. Within the ALBA-TCP, some initiatives have been created to take the Mercal concept to Cuba. PDVAL is a nationwide food supply network created in 2008 under PDVSA to manage operations more effectively.

Conclusion

In this chapter, I have argued that a new strategic regionalism takes form as the ALBA-TCP. This process is characterised by three elements: an emphasis on elements of the old strategic regionalism, especially the designation of strategic enterprises; products and sectors; and commercial and industrial alliances linked to the role of the State as a strategic actor; the concept of multidimensionality beyond the economic realm; and emergent commonalities in an ALBA-TCP socio-economic model; and economic policies articulated around the concept of sovereignty; and the conformation of a geopolitical actorness as a region around these policies. This theoretical framework can be utilised, on the one hand, to explore how the ALBA-TCP as an actor presents alternatives to the food and energy crises; and, on the other hand, to analyse how these processes contribute to the transformation of the international political economy. In addressing the contradictions of the international political economy of food and energy (specifically petroleum), the ALBA-TCP initiatives propose alternatives to the contradictions and contribute to build solutions. This regional process goes hand in hand with concrete policies launched in some of ALBA-TCP member countries, particularly Venezuela, Bolivia and Ecuador. The future of the ALBA-TCP and of 21st century socialism in the region is tied to the consecution of the commonalities in constructing alternatives.

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