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LADB Staff

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## Honduras To Join Alternativa Bolivariana Para Las Americas

by LADB Staff

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At a time when the economic picture seems to be souring for the Central America-Caribbean region, Venezuela's President Hugo Chavez has sweetened his Petrocaribe deal to the region. For Honduran President Manuel Zelaya, if Petrocaribe is good, then full inclusion in the Chavez-inspired Alternativa Bolivariana para las Americas (ALBA) might be even better, so he applied for membership.

When Petrocaribe was originally proposed in 2005, countries could sign up for a deal that would allow them to pay 60% of their oil bills up front and then have 25 years to pay the balance. There was even a two-year grace period. Interest for the remaining 23 years would be a slim 1% a year. But as good as that deal was, oil prices have so squeezed the poor-country members of Petrocaribe that the terms had to be rethought if there was to be real relief. Petrocaribe has provided 59 million barrels of oil, US\$4.7 billion worth, since its inception.

Venezuela cannot resort to a simple discount from world prices, because the rules of the Organization of Petroleum Exporting Countries (OPEC), of which Venezuela is a member, preclude discounts. Instead, said Chavez at the mid-July fifth Petrocaribe summit, "Since the price of a barrel is reaching US\$150 and the undesired scenario is that prices reach US\$200 a barrel, we propose that [countries] pay 30% of the bill in 90 days and 70% financed over time." When crude prices fall below US\$150, the financed portion of the bill will fall to 60%. If it falls below US\$100, then the original deal would apply.

The new terms also include a buy-in. Venezuela will reserve an oil block Boyaca 3 in the Orinoco region for member countries to develop reserves through strategic alliances with their state oil companies. In effect, every country becomes a virtual oil producer. Added to these enhancements, Petrocaribe has decided to parley its contribution to dealing with the energy crisis to easing the effects of the food crisis. Called Petroalimentos, the novel program will pay US\$.50 of every barrel of oil sold above US\$100 into a fund that will be administered by the agriculture ministers of Petrocaribe countries to devise a food strategy for the group.

It took Honduras until late in 2007 to realize and accept the benefits of Petrocaribe, and now Zelaya is looking beyond. Until now, neighboring Nicaragua was the lone isthmus ALBA member and like Honduras also a member of the Central America Free Trade Agreement (CAFTA). But the neighbor's President Daniel Ortega has made a career of standing up to the US, a vociferous adversary of everything Hugo Chavez. Honduras in contrast has hewn through the years to US positions on just about everything.

On July 21, around the time he was giving serious signals that he intended to join ALBA, Zelaya went toe-to-toe with US Ambassador Charles Ford regarding Ford's complaint in the local media

that he had felt "intimidated" during his ambassadorship. Zelaya held the statement, and the idea that Honduras could intimidate the US, to some public ridicule, said the US should stay out of domestic affairs, blamed the US as "the main cause of drug-trafficking in Honduras and Latin America," and, after pussyfooting around the question for about a week, announced that he would join ALBA. The move would, however, require legislative approval.

As the second isthmus country to join ALBA, Honduras poses to the US the risk of another tip-over in a region where most of its dominoes are no longer vertical. In the Caribbean, Dominica has already joined, and St. Vincent and the Grenadines has given indications of similar intent. Guatemala has become the last piece to fall to Petrocaribe. However dimly, a pattern is emerging.

Petrocaribe membership is becoming a gateway to full ALBA inclusion, where ALBA membership is taken to mean antithetical to US policies in the region and to the US global economic paradigm. During the Petrocaribe meetings, Honduras became the first country to assume official observer status in ALBA.

## *A matter of class*

Inside Honduras, the pros and cons of ALBA membership are class based. The business class is either vehemently against it or does not see the advantage. President of the Consejo Hondureño de la Empresa Privada (COHEP) Amilcar Bulnes could see no benefit beyond what has already been gained by Petrocaribe membership. The ruling class also is against a move to the alternative column.

Roberto Micheletti is president of the legislature in Zelaya's Partido Liberal (PL). He would be a key figure in guiding the approval process through the Congress, but he is dead set against it. Joining Micheletti is the formal opposition, the Partido Nacional (PN). Its leader Antonio Rivera warned of staunch resistance to any attempt at ratification. But, just as these class leaders resisted cutting an umbilicus that has nurtured them through the years, those who have not shared in the flow through the years welcome the prospect of an alternative source.

The Consejo Civico de Organizaciones Populares e Indigenas de Honduras (COPINH) has come out foursquare for it. On Aug. 4, the broad-based popular organization issued a seven-point manifesto praising Zelaya's decision, calling it "integration vital for our communities into a bloc of countries under an emancipatory project against an imperial, neoliberal project of domination that encourages sacking our natural resources and exploiting our people." The document was specific in what was expected and what was understood by a shift to the ALBA paradigm. It expressed the expectation that membership would eventuate in access to education, whereby "poor people can graduate from Cuba and Venezuela as doctors, as specialists in sports, as accountants, as teachers, and other careers." Such programs are already in existence, with the Escuela Latinoamericana de Medicina (ELAM) in Cuba perhaps the best known.

ALBA means adequate, even superior, medical care to this grossly underserved population, with the document mentioning the program by which so many thousands of poor people from all over the region have regained their eyesight from ophthalmologic surgery provided free through Venezuelan and Cuban sponsorship. The manifesto prominently mentions the opportunity to learn to read and

write from brigades of teachers provided by Cubans and Hondurans "moved by the humanism learned from Morazan, Marti, and Fidel, among others."

On the food front, COPINH looks forward to Latin American and Caribbean cooperation in a "project of food sovereignty that will allow us to pursue sustainable agriculture preserving native-seed stocks." The organization sees ALBA as a way of protecting the environment without "megaprojects that destroy populations."

On trade, the COPINH document says ALBA would operate opposite to the methods of free-trade agreements (FTAs). "It is fair trade, respect, exchange among brothers and sisters." In more specific language, this would almost certainly mean agreements that recognize asymmetries. The manifesto takes sharp exception to CAFTA, the association agreement with the European Union (EU), Plan Merida, the recently reduced Plan Puebla Panama (PPP), all of which, says the document, have humiliated us and "brought us more poverty and exploitation" (see other story in this issue of NotiCen). COPINH demands in the document that the legislature ratify inclusion in ALBA, promises to fight for it, and exhorts other organizations in the popular sector to do likewise.

Regardless of ratification, Zelaya will put the government through a full-scale joining ceremony, to which the heads of the member states have been invited. Zelaya has won the right to go this far having secured the ratification of the Council of Ministers, perhaps not an impressive victory, but a step. The ceremony will consist of Zelaya and Chavez signing an agreement. "This opens new opportunities for the poor of Honduras, Central America, the Caribbean, and Latin America. We are in one highly competitive world that demands new answers to old problems," said a presidential press release.

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