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Twelve South American Nations Form Union

by LADB Staff

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Twelve South American nations joined together in Brazil in May to form the Union de Naciones Suramericanas (Unasur). The move was the latest in a series of regional integration efforts of financial and political nature. Presidents have also been discussing the formation of a South American defense council that would coordinate the region's military forces, as well as the future possibility of a unified currency and passport system.

South America says Unasur makes it "a global player"

Unasur joins every nation of the South American continent, with the sole exception of French Guiana, which is one of four French regions overseas from the European nation. Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela signed into the group, with Bolivian President Evo Morales serving as pro tempore president of the bloc. Its permanent headquarters will be located in Quito, Ecuador, and its parliament will meet in Cochabamba, Bolivia.

The formation of Unasur is the latest culmination of integration efforts begun in 2005 with the creation of the South American Community of Nations (see NotiSur, 2005-01-14). Unasur was born May 23 in Brasilia as leaders of the region's 12 nations set out to create a continental parliament. Some see the new organization as a regional version of the European Union (EU). The treaty envisages that Unasur will have a revolving presidency and bi-annual meetings of foreign ministers.

Summit host Brazil wants Unasur to help coordinate defense affairs across South America and Venezuela's Hugo Chavez calls it a counterweight to the US. "The number one enemy of the union of the south is the empire of the United States," Chavez said, claiming that the US is "trying to generate wars in South America" to "divide and conquer."

Reaching beyond South America

Brazil's President Luiz Inacio Lula da Silva invited other Latin American and Caribbean nations to join the venture. "Unasur is born, open to all the region, born under the signs of diversity and pluralism," he said. Lula said the move showed that South America was becoming a "global player." There was some disagreement over various issues like trade formations and joint defense forces.

Unasur's first secretary-general, former Ecuadoran President Rodrigo Borja (1988-1992), resigned May 22 before the organization formally met. He complained that some leaders had balked at his vision of putting other regional trade blocs, including the Southern Cone Common Market (MERCOSUR) and the Comunidad Andina de Naciones (CAN), under Unasur.

Leaders like Lula and Chavez have made multiple efforts to bring the region closer together in recent years, inaugurating the Banco del Sur as an alternative development bank neither based in Washington nor promoting policies that favor wealthier nations (see NotiSur, 2007-03-23 and

2008-01-25). They have also sought greater integration of commodity deliveries to alleviate energy distribution problems and other shortages (see NotiSur, 2005-07-01 and 2006-03-03).

Chavez has also spearheaded the creation and expansion of the Alternativa Bolivariana de las Americas (ALBA), an effort to promote socialist development schemes around Latin America. Lula used his speech at the summit to urge wealthier nations to cut farm subsidies and import tariffs, and he defended biofuels, including ethanol, which critics like Chavez and Cuba's ex-president Fidel Castro blame for rising food prices.

"We should not be fooled one bit by the arguments of those, who for protectionist or geopolitical motives, feel uncomfortable with our industry, our agriculture and with the realization of our energy potential," Lula told the leaders.

International political analyst Walter Sotomayor said, "Today a dividing line separates countries in relation to issues like the role of the state, relations with the US, and even the production of biofuels." But Lula minimized claims of instability in South American nations. "The instability some want to see in our continent is a sign of life, especially political life," Lula said. "There's no democracy without people [protesting] in the streets," he added.

Unasur could ease future political tensions, promoting development on a continent where intra-regional trade topped US\$72 billion in 2006, experts say. South America's economy is expected grow by 4.7% this year, according to the UN's Economic Commission on Latin America and the Caribbean (ECLAC). It expanded 5.7% in 2007, when foreign direct investment (FDI) reached a record US\$106 billion as global demand for the region's natural resources soared.

The integration effort among South American nations has coincided with further efforts to integrate less developed nations worldwide (see NotiSur, 2005-05-20) and the failure in years past of negotiations to form a Free Trade Area of the Americas (FTAA) and talks to write a MERCOSUR-EU free trade treaty (see NotiSur, 2005-02-18 and 2005-09-09).

Defense council proposals

Leaders were somewhat split over plans for a South American Defense Council (Consejo de Defensa Suramericano) that would resolve conflicts, promote military cooperation, and possibly coordinate joint weapons production. Colombia is the only nation that opposes joining such a council, saying "the terrorist threat" it faces at home, amid 40 years of civil conflict, precludes military cooperation. Even so, a government statement added, "Colombia does not oppose the creation of a working group to study the theme."

Ecuador and Venezuela have been in a diplomatic crisis with Colombia since March when Colombia's military launched a strike on a camp of Colombian guerrillas inside Ecuadoran territory. Ecuador and Venezuela accuse Colombia of serving US military and political interests, while Colombia's government accuses them of funding rebel groups (see NotiSur, 2008-03-07 and 2008-05-09).

The Unasur signing ceremony had been set to be held in Colombia, but Brazil offered to host it on more neutral ground after the Andean diplomatic crisis persisted through May. Chavez frames the proposed Unasur force as a NATO-like South America defense council along with Brazil and other countries.

During a speech April 13, Chavez said the council would unite the region's countries to "design our own defense policies." "I once said that if NATO exists - the North Atlantic Treaty Organization - why couldn't SATO exist? The South Atlantic Treaty Organization," Chavez said. "We've placed it on the table for Latin America once again." Chavez said he brought up a similar proposal at the start of his presidency in 1999 but that it met with opposition in the region. Chavez has also called for the creation of an ALBA defense league, which would incorporate armed forces from Bolivia, Cuba, Dominica, Nicaragua, and Venezuela.

Military analysts consulted by reporter Nikolas Kozloff for an article in *Counterpunch* doubted that the ALBA force would come together, given internal political opposition to the plan within the constituent nations. Chavez's calls for South American defense forces come as the Pentagon announced the re-establishment of a US Navy fleet to oversee activity in the Caribbean and Central and South America.

The Fourth Fleet has not been used since its disbandment in 1950. Some critics warn the fleet's renewal could be seen as a warning to governments seeking greater regional integration to counter US influence, most notably Venezuela. The Fourth Fleet was initially deployed during World War II as a response to German U-Boat attacks on Venezuelan oil shipping in the Caribbean.

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