

# The coup in Honduras, ALBA and the English-speaking Caribbean

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The military coup carried out by masked soldiers in the early hours of June 28 against the democratically elected President of Honduras, José Manuel Zelaya Rosales, was a **bandit act** with differing messages intended for different audiences.

One such audience is the oligarchical groupings throughout the hemisphere, who will be emboldened by Washington's tacit tolerance of the coup makers. Another audience is the Latin American leftist and popular governments, who are being told that their agendas can be trumped by non-democratic means.

And there is yet another audience: the predominantly English-speaking Caribbean governments who, like Zelaya, are far from ideologically opposed to capitalism, but are aware of their inability to improve the overall quality of life of their societies within capitalism's current configuration. As a result, many of these island governments are edging towards regional agreements based on principles antithetical to the capitalist system.

This is perhaps why English-speaking Caribbean nations account for ten of the eighteen countries participating in the Venezuelan-led regional agreement PetroCaribe. Launched in 2005, PetroCaribe enables Caribbean governments to purchase oil and natural gas on terms that allow **for the financing of upwards of 60 per cent of the costs over a twenty-five year period at interest rates close to 1 per cent**. Also included in the agreement are mechanisms to finance costs associated with building energy infrastructure projects such as refineries and fuel storage facilities, as well as costs of fertilizer purchases to increase food production.

These Caribbean countries typically have been grappling with debt-to-GDP ratios ranging between 50 per cent and 150 per cent for the better part of the past two decades. They are economically dependent on tourism and the export of a very narrow range of agricultural commodities and natural resources. They remain highly vulnerable to the effects of hurricanes, tropical storms, sea level rises and climate change. As a result, this new ability to finance a large portion of their energy requirements creates much needed economic space to pursue domestic agendas which, among other objectives, include: creating national food security; repairing and maintaining physical infrastructure such as roadways and airports; and strengthening social services such as healthcare and education. Or more simply, building some degree of self-sufficiency, albeit within a program that does not deviate from a capitalist approach to development.

The ability to more freely pursue their domestic agendas is the main reason why, over the past eighteen months, three English-speaking Caribbean states have developed a rather perspicacious outlook and become members of the Bolivarian Alliance for the Peoples of Our America (ALBA — an acronym that also means "dawn"). In their view, the regional bloc is not oriented towards a competitive model that exploits weaknesses but is instead an example of a cooperative model that creates space for states to cultivate some degree of self-sufficiency.

The coup against Zelaya, the utterly illegal removal of Haitian President Jean-Bertrand Aristide five

and a half years before that and the short-lived coup against Venezuelan President Hugo Chávez two years before that all show that international capitalism cannot tolerate any domestic agenda which includes an objective of self-sufficiency. Added to this intolerance is capitalism's long-standing fear of **the threat of a good example**.

Located in the eastern Caribbean, the three English-speaking states of Antigua and Barbuda, Dominica and Saint Vincent and the Grenadines form one-third of the nine-member ALBA. In fact, these islands are also members of three other important regional blocs, namely: the fifteen-member Caribbean Community (CARICOM), the twelve-member Caribbean Single Market and Economy (CSME) and the nine-member Organisation of Eastern Caribbean States (OECS).

All of these groupings, composed mainly of English-speaking Caribbean islands, have done much to create a unified relationship among its members. As such, the experiences of Antigua and Barbuda, Dominica and Saint Vincent and the Grenadines within ALBA will undoubtedly be watched by **other islands in the region**. Each of these islands has been trying to mitigate the myriad challenges facing them over the past two decades, yet are experiencing very little success, as demonstrated by their weakening economies, degrading environments and alarmingly, declining social indicators such as mortality. By one measure, life expectancy in the English-speaking Caribbean has fallen by four years over the past decade. [\[1\]](#)

### **ALBA and the road to self-sufficiency**

Alongside the commitment to facilitate cooperative development, ALBA's strength lies in its ability to identify member-states' weaknesses within capitalism and devise projects to mitigate and overcome their challenges. This analytical quality has allowed for the emergence of a large number of projects organised under ALBA's four main institutions: the ALBA Oil Agreement, the Bank of ALBA, the ALBA Peoples' Trade Agreement and the ALBA Cultural and Sport Initiative. The sometimes overlapping projects are in various stages of development and implementation and are free to be used or ignored, at will, by any member state.

### **ALBA Oil Agreement**

Modeled on the principles governing PetroCaribe, the ALBA Oil Agreement is a mechanism for member states to finance their oil purchases on a long-term, low-interest basis, of which a portion can be repaid in goods and services. For countries in the Caribbean, whose annual energy costs represent expenditures between 15 per cent and 30 per cent of their GDPs, the agreement is quite attractive. Furthermore and similar to what exists under PetroCaribe, infrastructure projects designed to facilitate or increase **oil delivery, oil storage capacity and oil refining capabilities** have been undertaken, all of which have the explicit goal of reducing the overall cost of each barrel of oil these countries import. Also within the ALBA Oil Agreement is a project that sees 25 per cent of every oil receipt accumulate in what has come to be known as the ALBA fund, which is designed to be loaned to member states to pursue social development projects.

### **Bank of ALBA**

In line with the objectives of the ALBA fund and probably because of the example set by the fund, the Bank of ALBA was established in 2008 to offer member states access to capital to pursue social development projects. Although the Bank has a total capitalisation of only a small fraction of the value of other regional multilateral lending institutions, it offers a far more egalitarian governance structure, exemplified by a rotating directorship among member states and a decision-making structure where each member has an equally weighted vote. Established in the shadow of the ongoing global food crisis, the bank's first projects have been the establishment of a food-

distribution company tasked with creating an efficient distribution network between member states and a regional food-production fund meant to be allocated to member states to assist them with domestic agricultural initiatives. Both projects have an explicit goal of creating some degree of regional food security.

### **ALBA Peoples' Trade Agreement (ALBA-TCP)**

Devised to coordinate the trading of goods and services within the bloc, ALBA-TCP outlines the **specific obligations** in the form of actions to be taken by each participating member state. The actions stipulated in the agreement attempt to locate areas of need within each participating state and then to match these areas with goods and services available in partnering member states. The result is a series of bilateral agreements between participating member state. To date, only Bolivia, Cuba and Venezuela are active in ALBA-TCP.

### **ALBA Cultural and Sport Initiative**

The ALBA Cultural and Sport Initiative takes the form of developing localised independent media outlets and cultivating cultural exchange through sport. The most developed of these initiatives is **the ALBA Games project**, which has been held on a biannual basis since 2005 and is meant to facilitate competition and training among the hundreds of athletes from around the world who participate.

There are very good reasons to project that, left unmolested, ALBA has the potential to offer Caribbean states a space where self-sufficiency can be striven for. An appealing quality of ALBA and its sister initiatives such as PetroCaribe is that they do not have political strings attached to them. Countries are signing on because the regional arrangements primarily offer economic flexibility. Countries are able to follow development paths of their choosing, which in the Caribbean still seem to be a Keynesian-inspired form of state capitalism. For most countries in the region, this means establishing a much greater degree of self-sufficiency, in the form of food security, social development and economic growth.

In keeping with imperialism's sordid history, the reactionary forces in Honduras have demonstrated the lengths to which they are prepared to go to obstruct any goal of self-sufficiency that excludes oligarchical domination. **The government of Zelaya was not revolutionary.** However, it was looking to better the lives of the people who elected it and saw that ALBA was one mechanism by which it could fulfill this objective. This is precisely why the coup against the democratically elected government of Honduras is rightly being seen as a **threat against the bloc** and it should also be seen as a threat against like-minded governments throughout the region, who are slowly edging towards ALBA.

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### **P.S.**

\* From MRZine (United States). A shorter version of this article was recently presented to the Coalición Venezuela Estamos Contigo / Venezuela We Are With You Coalition of Toronto..

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## Footnotes

[1] Life expectancy estimates for the English-speaking Caribbean were taken from United Nations Human Development Reports. Taken in the aggregate, life expectancies in the region have fallen by roughly six months over the past decade. However, when the populations of these islands are assigned values based on their proportion to the entire population of the English-speaking Caribbean, we see that life expectancies have fallen by four years.