
Why Latin America is important for Sri Lanka!

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The Author of this article is the present Sri Lankan Ambassador to Cuba. She is also the author of the book *Quel développement? Quelle coopération internationale ? - La déclaration des Nations Unies sur le droit au développement : Pour un nouvel ordre international* (2007) CETIM, Geneva, 2008 by: Tamara Kunanayakam. Rapid and profound changes are taking place in Latin America and the Caribbean - economic, political and social changes accompanied by transformation to foreign and institutions with increasing importance attached to regional integration and South - South relations based on respect for independence, sovereignty and territorial integrity. Profoundly marked by five centuries of colonial rule, massacre, and pillage of natural wealth and resources, a new leadership has emerged acutely conscious of the continent's widening inequalities and continuing poverty in the context of aggressive globalisation. Whilst macroeconomic indicators in the region have improved over the past twenty years, the benefits of economic growth have failed to reach the producers of that wealth. Social inequalities and skewed income distribution remain a problem. Poverty and exploitation persist throughout the continent.

From agriculture to health, to education, to public finance, to energy security, Latin Americans are finding innovative solutions. Spurred by popular resistance to neoliberalism and US domination since the early twentieth century, the success of the Cuban revolution, the struggle against military dictatorships in the sixties and more recently the anti-IMF riots in 1989 in Caracas, Venezuela, and the rise of the Zapatistas in Mexico in the early 1990s, Governments and leaders with an independent and progressive political orientation have been brought into power in most of the region. This trend has grown and has been confirmed in recent years with the re-election of President Lula in Brazil and President Chavez in Venezuela; the choice of President Michele Bachelet (daughter of General Bachelet assassinated by Pinochet) in Chile; the brilliant election in the first round of Cristina Kirchner as President of Argentina; the election of President Alvaro Colom in Guatemala; the victory of President Rafael Correa's Party in Ecuador's parliamentary elections in the aftermath of his own election as President; the election of the Sandinista Daniel Ortega, a close friend of Chavez and Fidel Castro, as President of Nicaragua; the victory of Fernando Lugo, the so-called red Bishop, as President of Paraguay. A recent phenomenon is the arrival at the top levels of power of indigenous leaders or those identified with their struggle and that of poor communities. The victory of indigenous leader Evo Morales in Bolivia in the December 2005 elections was hailed by the President of the powerful Confederation of Indigenous Nationalities of Ecuador (CONAIE), Luis Macas, as "a historical landmark unlike anything seen since the time of Spanish colonialism." Hugo Chavez's ancestry is indigenous Indian, Spanish and Afro-Venezuelan. Rafael Correa is a mixed-blood mestizo who speaks Quechua, the Indian language, was nearly chosen as the candidate of the indigenous party Pachakutik and received the support of the indigenous population in Ecuador. Lugo Fernando spent more than ten years as Bishop of San Pedro, one of the poorest regions of Paraguay peopled by Guaran/Indian peasant farmers and landless labourers. In the bold recall referendum of 10 August 2008, Bolivia's Evo Morales won more than 67 percent of votes ratifying his mandate amidst opposition to his new constitution and socialist reforms by 8 opposition governors from the capitalistic East seeking autonomy. Morales received more votes than he had won in 2005, when he gained 53.7% in a historic landslide. Toward financial sovereignty - Independence from IMF/World Bank The restoration of control over its natural wealth and resources, the accumulation of foreign exchange reserves, the arrival of popular left or centre-left Governments and regional solidarity have profoundly modified Latin America's relations with its creditors from the North and with the United States in particular, which until recently considered the region as its backyard. Although approaches to resolving the external debt problem vary and the margin of manoeuvre is limited by preoccupations with electoral politics, there is a shared recognition of the decisive role played by the IMF and World Bank in the process of their indebtedness and the negative economic and social consequences of conditionalities imposed upon them. In April 2006, Ecuador declared persona non grata Eduardo Somensatto, representative of the World Bank and announced that the share of budget dedicated to debt repayment will be decreased from 38% in 2006 to 11, 8% in 2010. In 2007, the Integral Public Credit Audit Commission (CAIC) was established under the Ministry of Finance to analyse and assess the indebtedness process in 1976-2006, including its economic, financial, social and environmental impacts. The audit will identify interest rates, commissions and penalties in credit agreements imposed often unilaterally, violating the sovereignty of borrowing States, and the consequences of conditionalities on living conditions. It is expected that a multidisciplinary and comprehensive approach will help expose the illegal and illegitimate character of the claimed debt. In 2006, Venezuela announced its departure from IMF and World Bank. At the same time, Bolivia declared that it no longer recognised the authority of the International Centre for Settlement of Investment Disputes. Venezuela's example of repaying its debt in advance, thus saving millions of dollars for the country, was followed by Brazil, Argentina and Uruguay. Venezuela has helped its partners reduce their debt burdens by purchasing the foreign debt. Since 2005 alone, Venezuela has bought 5 billion dollars of Argentina's debt, permitting the country to honour its creditors without resorting to borrowings at high interest rates. It has also helped reduce the debt burden of Ecuador and Bolivia. Whatever their approach to debt repayment is, most countries find themselves united around a common project - establishment of the South Bank! In December 2007, Brazil, Uruguay, Paraguay, Ecuador, Bolivia, Venezuela and Argentina signed a formal agreement to establish the Banco del Sur or the South Bank in their quest for financial autonomy from the IMF/World Bank. The initiative, launched by Venezuelan President Hugo Chavez with the support of Argentina's President Nestor Kirchner, was signed in Buenos Aires as Presidents Kirchner's last public act. On that occasion, Nicanor Duarte, former President of Paraguay, declared, "with the Banco del Sur, we are not only initiating a process of financial sovereignty, but a path to political freedom and an end to the cultural domination imposed on us through the use of financial resources by sections that have nothing to do with our history and aspirations." There is no national project without sovereign control over natural wealth and resources. New Governments

are taking bold steps to restore sovereign control over the nations' natural wealth and resources and to initiate constitutional reforms to return power to the people, to make institutions more democratic and transparent, to end the power of an oligarchy allied to the United States, and to combat corruption. In May 2007, on the occasion of nationalising the economically lucrative Orinoco Oil Basin, which contains the world's largest oil reserves, President Chavez declared that there can be no national project if the country had no control over its wealth, its natural resources and its economy: "Today, it is the end of an era where our natural resources always ended in the hands of all except the people of Venezuela." The natural resources of the region would no longer go to enriching the shareholders of the multinational corporations, but to building "Socialism of the 21st Century". Bolivia nationalised its oil and gas resources in May 2006. Before that, Venezuela had engaged in a similar operation. Without using the term "nationalisation", 32 transnational corporations on its territory were forced to accept new rules, higher taxes, and merger with joint ventures in which the national corporation PDVSA held majority shares. In 2007 and 2008, Venezuela nationalised its telecommunication, electricity, steel, and cement industries. "...we want to be heard as sovereign States, as masters of solutions to our own problems" From agriculture to health, to education, to public finance, to energy security, Latin Americans are inventing their own solutions. In 2005, President Lula of Brazil sent a clear message on the occasion of signing an agreement with President Chavez of Venezuela to build the giant Abreu e Lima refinery, a joint venture between their national oil corporations, PDVSA and Petrobras : "this Accord reaffirms the autonomy of the South-American nations vis-à-vis the developed countries.... This is something that bothers some people, because people were used to making decisions while we said Amen. We don't want to take anything from anyone. The only thing we want to tell the world is that we love ourselves. That we do respect and that we want to be heard as sovereign States, as masters of solutions to our own problems. And that we want to share these things, this accomplishment of ours, with our siblings." A new type of regional integration Alternatives to the neoliberal model or corporate globalisation are being sought to strengthen Latin American unity, to acquire greater independence from rich countries and to bring about a higher level of development for its peoples. The failure of the FTAA (Free Trade Area of the Americas) that the US has been trying to secure since the late 1990s is significant. The objective was to create by 2005 a huge integrated market that would extend from Alaska to Tierra del Fuego based on WTO's most-favoured-nation principle. In December 2004, during the III Summit of Presidents of South America held in Cusco, Peru, President Lula's team and the Argentine delegation to Mercosur, proposed the creation of a South American Community of Nations (CSN) that would bring together in a single body members of Mercosur, the Andean Community of Nations and Caricom. In November 2005, at the Mar del Plata Summit of the Americas, in the presence of Lula, Hugo Chavez and Fidel Castro, the Latin American partners rejected the proposed FTAA. A dissenting statement in the Mar del Plata Declaration read: "the necessary conditions are not yet in place for achieving a balanced and equitable free trade agreement with effective access to markets free from subsidies and trade-distorting practices, and that takes into account the needs and sensitivities of all partners, as well as the differences in the levels of development and size of the economies." Emerging alternatives Mercosur, the regional bloc once restricted to Southern Cone countries - Argentina, Brazil, Paraguay and Uruguay, is facing transformation with the affiliation of Venezuela. The decision taken in December 2007 to establish the South Bank is an example. ALBA (The Bolivarian Alternative for the Americas) is an economic and political arrangement between Cuba, Venezuela, Bolivia, Nicaragua, Honduras, Haiti, and the Dominica, with Ecuador, Uruguay, the Dominican Republic, and St. Kitts participating as Observers. It is described as an "anti-imperialist" accord that proposes a new model of political, economic and social integration based on principles of solidarity, cooperation and complementarities. Its 6th Summit recently (August 2008) ended in Caracas with the founding of a new Bank of ALBA and the signing of a series of economic and social agreements among member States. Other regional initiatives involve strategic economic sectors. They include transportation infrastructure for oil and gas from the North to the South of Latin America; the construction of a highway that will link the continent from the Atlantic Ocean to the Pacific; the creation of TeleSur, an alternative region-wide TV network broadcasting news from a Latin American perspective, jointly owned by Venezuela, Argentina, Cuba, Uruguay, Bolivia, Ecuador, and Nicaragua; Petrosur, an initiative sponsored by Venezuela, Argentina, Brazil, Uruguay and Bolivia, to unite all State-run oil industries in a single Latin America-wide petroleum company that would be an economic weapon capable of challenging US hegemony. Cuba's role and involvement in the search for a new model for integration is significant. Cuba has resisted for 50 years now and recent developments in Latin America must certainly bring much satisfaction to Fidel Castro. Cuba's credibility has grown with its struggle to bring literacy to the continent, its Latin American School of Medicine which qualifies - free of charge - thousands of Latin American medical doctors, or its Operation Miracle jointly conducted with Venezuela to give sight to tens of thousands of Latin American patients suffering from cataracts or other operable eye conditions.--- South American unity taking shape For the first time since the days of Simon Bolivar more than 175 years ago, South American unity is beginning to take shape and a real possibility exists to integrate the continent politically, socially and commercially. The numerous attempts by Washington to break up the fledgling Latin American unity, to destabilise Bolivia, Nicaragua, Venezuela, and Ecuador or to isolate Cuba, have failed. Latin America's response to the recent crisis provoked by Colombia's violation of Ecuadorian sovereignty with US backing demonstrated the degree of political maturity achieved by the region. Despite what are seen as attempts to break up Latin American unity, continental solidarity toward Ecuador was maintained and expressed through the Organisation of American States. South - South Cooperation: Asia - Latin America relations flourishing! Latin Americas desire for independence finds its international expression in its quest for greater South - South cooperation. The establishment of a dialogue mechanism between India, Brazil and South Africa (IBSA Dialogue) to promote the interests of their emerging markets, the increasing role of Venezuela within OPEC and Ecuador's recent re-entry, the call by President Lula to Third World countries to join together to set up a Southern Bank as a substitute for the World Bank and the IMF, confirm the growing influence of the region in global politics. Trade and investment ties, cultural exchanges and political relations are multiplying

between the Latin American partners, Brazil, Chile, Argentina, Peru, Uruguay, Ecuador, Cuba, Bolivia, Nicaragua, Costa Rica, Venezuela, Mexico, Panama, and Paraguay, among others, and Asian counterparts, China, India, Pakistan, Iran, Malaysia, Indonesia, Singapore, Japan, Vietnam, Myanmar, Thailand, Laos, North Korea, South Korea, and Taiwan. Brazil, which had in the past turned its back to Latin America and prioritised traditional ties with North America and Europe, has under President Lula focused its attention to building relations within its own region and with Africa and Asia. President Lula has declared 2008 to be the Year of Asia! China and India are very involved in Latin America. Brazil, a continent by itself, maintains privileged relations with India within the framework of the politico-economic agreement IBSA Dialogue. Although only 2% of total foreign direct investment (FDI) in Latin America is of Indian origin, trade between the region and India has multiplied by 2.5 since 2000. Indian investments in Brazil focus on steel, information technology and pharmaceuticals. Since 1989, the Indian multinational Mittal has a firm foothold in South America, including Brazil; it is the largest producer of steel in the region. Similarly, the Tata Company has recently established many call centres in Brazil so as to take advantage of its proximity to the USA. The depth of this interregional partnership was demonstrated by the contagion of the Asian financial crisis over Latin America in 1998 and 1999, which served to enhance awareness of their increased interdependence and contributed toward promoting a strategic alliance between the two regions and serious efforts toward institutionalising interregional relations. The establishment in September 1999 of the 32-member State Forum for East Asia and Latin America Cooperation (FEALAC) is significant. It seeks to promote a new type of international cooperation between the regions based on principles of mutual respect for sovereignty, territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit. Whither Sri Lanka - Latin America relations? Whereas the economic performance of China and India impress most observers in Sri Lanka and much of our efforts are focused on warding off attacks from our former colonial masters and their allies who continue to have a stake in this country, we have failed to grasp the significance of the history that is being written in Latin America. Sri Lanka cannot remain indifferent to this evolution. The quality of its international relations cannot be appreciated through the narrow vision of those who judge its good health solely through the state of relations with Western powers. Sri Lanka's foreign policy must take into account the reality of a world that is changing and Latin America as constituting an important factor in that change. The progress of democracy in Latin America as an offspring of peoples' resistance has gradually allowed Latin America to find its place on the world stage, championing a new type of international relations and cooperation, based on multilateralism and the same principles that Sri Lanka defends in the face of threats to its sovereignty, territorial integrity and independence. The changes in Latin America provide new opportunities for strengthening South-South relations and the emergence of the Non-Aligned Movement as a realistic alternative to the hegemony of Western powers. It is significant that Brazil, a regional power, is seeking a new type of South-South economic and political cooperation, including through the framework of IBSA or WTO where it recently refused to cede to Western pressures. Brazil, India and South Africa have also been successful in their joint efforts to have recognised within the WTO their right to access affordable generic drugs for killer diseases such as HIV AIDS. A period of opportunities! An indication of the existence of a political will in Latin America to develop relations with Sri Lanka is the reopening of the Embassy of Brazil in Sri Lanka at the end of last year and the appointment of Pedro Borio as its Ambassador, as well as the 50-year old relationship with Cuba, Cuba and Sri Lanka being among the founding members of the Non-Aligned Movement. In 2009, we will be celebrating the 50th anniversary of the historical visit to Sri Lanka of Ernesto Che Guevara and the opening of our Embassy in Cuba. Let us recall also the passionate writings on their visit to Sri Lanka of two giants of contemporary literature: Chilean Nobel Prize Laureate Pablo Neruda and the Brazil's Jorge Amado! Sri Lanka has two diplomatic missions in the region - Cuba and Brazil, countries that enjoy considerable influence in Latin America and internationally. Between the two, they cover the two most important economic and political agreements in the region - Mercosur and ALBA. In the absence of sufficient resources to open new diplomatic Missions, a starting point would be to make effective use of the two existing Embassies to reinforce ties with the Governments and peoples of the two countries at all levels. Given the degree of integration accomplished by the region and their commitment to greater unity, Sri Lanka would also thereby be strengthening its ties with the region. In this regard, the establishment of the Sri Lanka-Brazil Parliamentary Friendship Association by the Sri Lankan Parliament on 10 September 2008, chaired by Gitanjana Gunewardana, is an important step forward. It must be recalled that Brazil is an influential member of the Parliament of the Mercosur, which meets once a month in Montevideo, Uruguay. For instance, the Embassy of Sri Lanka in Brazil has begun implementation of an ambitious programme to promote ties between the peoples of the two countries as well as between their Governments, based on solidarity, reciprocity, and mutual respect. Progress has been made toward the establishment of, among others, parliamentary friendship groups, twinning arrangements between municipalities, federative States and provinces, the establishment of a high level mechanism for bilateral cooperation, and bilateral agreements on research and technology in the field of agriculture and livestock. In accordance with the pledge made by the President of Sri Lanka in the Mahinda Chintana to preserve the system of indigenous medicine and to offer it to the world at large, the 1st Brazil-Sri Lanka Symposium on Ayurveda, Health and the Environment is being planned in Brazil later this year. The objective is to promote the historical revival of the application of Ayurveda in public health worldwide and to contribute toward the protection of traditional knowledge, preservation of the environment and sustainable development of the community. Brazil on the other hand has broad experience in the development of alternative energy systems such as solar, wind and wave energy, as well as energy efficiency programmes supported by Government incentives. A delegation led by Sri Lanka's Minister for Energy, Hon. John Seneviratne, to the Global Forum on Alternative Energy held at Foz do Iguagu in Brazil, had the opportunity to gain insight into Brazil's experience and knowledge. Brazil is also actively promoting the production and use of ethanol produced from sugar and biofuel from cereals. However, on this subject, Sri Lanka's President Mahinda Rajapaksa has made it clear at the recent FAO Conference held in Rome that land needed for the production of food will not be used for the production of ethanol or biofuel. The ambition for a "non aligned, free and progressive foreign policy"

expressed in the Mahinda Chintana must necessarily engage Sri Lanka in a region where its natural allies are to be found and whose struggles focus on shared aspirations - independence, sovereignty and territorial integrity. It is therefore vital that Sri Lanka associates itself with the changes that are taking place in Latin America and with the movers of those changes. More than 25 years after the collapse of the Berlin Wall, the unipolar system that continues to dominate the international system is on the decline! This is evident in Latin America as it is in our own region where new aspirations are being expressed, as at the historic SAARC Summit in Colombo or at the recent meeting of Shanghai Forum. At a crucial time in the history of Sri Lanka when there is a new perspective of peace and justice that has been made possible by a political will to re-establish the sovereignty of the country and defend it from external intervention, there is need to continue to promote in our international relations a new type of cooperation based on solidarity, reciprocity, and mutual respect with all countries “No one is so poor to have nothing to offer and no one is so rich as to have no needs.” Article source: The Island

First part:

<http://www.island.lk/2008/09/23/features4.html>

Second part: <http://www.island.lk/2008/09/24/features7.html>