



# Endogenous Development in ALBA-TCP Member Countries: Assessing an Alternative Model of Regional Integration (2004-today)<sup>1</sup>

Ettore Gallo <sup>2</sup>

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<sup>1</sup> Paper presented at the 8<sup>th</sup> Annual Conference in Political Economy, Berlin 13-15th September 2017.

<sup>2</sup> EPOG Master's Student - Berlin School of Economics and Law (Germany) and Université Sorbonne Paris Cité (France)

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## List of Abbreviations

ALBA-TCP	Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Treaty ( <i>Alianza Bolivariana para los Pueblos de Nuestra América - Tratado de Comercio de los Pueblos</i> )
CTA	Compensated Trade Agreements
ECLAC (CEPAL)	Economic Commission for Latin America and the Caribbean ( <i>Comisión Económica para América Latina y el Caribe</i> )
FTA	Free Trade Agreement
GNC	Grand National Corporation ( <i>Empresa Grannacional</i> )
GNP	Grand National Project ( <i>Proyecto Grannacional</i> )
PWC	Post-Washington Consensus
SUCRE	Unified System for Regional Compensation ( <i>Sistema Unitario de Compensación Regional</i> )
WC	Washington Consensus

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## **1. Introduction**

Until today, the project of ALBA-TCP (Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Treaty) emerges as one of the main alternatives to neoliberalism. In particular, the Alliance – initially denominated 'Alternative' (between 2004 and 2009) as part of the struggle against Free Trade Agreements (FTAs) in the region – constitutes an extremely interesting process of regional integration inspired by principles of solidarity, complementary and justice, against the tide of neoliberalism.

In this paper we assess the validity of the theoretical model embodied by ALBA-TCP, then focusing on the capacity of the alliance to promote economic development in its member countries. Thereby, our first research goal is to analyse to what extent regional integration can help in promoting post-capitalist development, theoretically assessing the model of regional integration proposed by ALBA-TCP. Secondly, we focus on whether ALBA-TCP supports the economic development of its member countries. In line with the current consensus in Latin American studies, we assume that the idea that 'there is no alternative' (TINA) does not hold both in Latin America and on the global scale (Muhr 2010a). Therefore, we further assume that is at least theoretically possible to promote endogenous development and post-capitalist transition in the 21<sup>st</sup> century, as proposed within the ALBA-TCP.

Our methodology is based on literature review and data analysis. The bibliographical research, complicated by the insufficiency of sources, follows a pluralist approach to development issues, including contributions from other fields of research, on all political science. The data analysis - based on ECLAC database – focuses on some main economic indicators in all or in selected member countries of ALBA-TCP, in order to evaluate socioeconomic performances after the introduction of the Alliance.

In Chapter 2, we discuss the theoretical alternatives to the Washington Consensus (WC) and their development in Latin America, specifically evaluating the ALBA-TCP model of regional integration. Chapter 3 seeks to analytically describe ALBA-TCP and its pursue of endogenous development, thus investigating deeply its economic development strategy. Chapter 5 evaluates possible policy implications, then Chapter 6 concludes, summarizing our findings.

## **2. Towards Alternatives to the Washington Consensus: Neo-structuralism and Socialism for the 21<sup>st</sup> century in Latin America**

In this Chapter we provide a theoretical overview of the two main alternatives to the WC in Latin America (Section 2.1), then we focus more deeply on the ‘Socialism for the 21<sup>st</sup> century’ paradigm by describing the theoretical pillars of ALBA-TCP (Section 2.2) and assessing this new form of regionalism (Section 2.3).

### **2.1 Alternative Paradigms in the Latin American Context**

As underlined by Robinson (2007), Latin America has been the scene of the elaboration and implementation of the main alternatives to the dominant model of global capitalism and, more specifically, to neoliberal approaches to development. In this section we compare the two main alternatives to the Washington Consensus (Williamson 1990) and to Post-Washington Consensus (Stiglitz 1998)<sup>3</sup>, namely the Neostructuralist approach (Sunkel 1993) as elaborated by ECLAC economists and the ‘Socialism for the 21<sup>st</sup> century’ approach, as firstly formulated by Dieterich Steffan (2003). Although both approaches have their roots in the field of policy and politics rather than in an academic and elaborated theoretical framework, we consider them paradigms, in line with Fine (2002, p.2061), according to whom Kuhn’s notion of paradigm has three components: an exemplar, a world vision, and a body of professionals.

In Table 1 we compare the main aspects and differences of the two paradigms. They differ for all the three components above mentioned; Neostructuralism roots its theoretical background in the structuralist approach of Prebisch and Singer, combining it with the thought of Keynes, Kaldor and Kalecki (Bárcena and Prado 2015), while ‘Socialism for the 21<sup>st</sup> century’ is mostly based on Marxist and Bolivarian tradition. Regarding the body of professionals, while the first paradigm can rely historically and presently on the ECLAC staff, the second has its body of professional in the ALBA-TCP Councils, whose functioning appears to be flawed and incomplete (Section 3.3). In particular, while for ECLAC the intellectual and political leadership is a key concept to counteract *laissez-faire* policies (Leiva 2008), in the analysis made by ALBA-TCP

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<sup>3</sup> According to Fine (2006), the Post-Washington Consensus (PWC) cannot be seen by any means as an alternative to WC. With Saad-Filho (2005, p.118), we argue that PWC shares with the WC “the same methodological foundations, including reductionism, methodological individualism, utilitarianism and the dogmatic presumption that exchange is part of human nature rather than being an aspect of society.”

Councils, the concept of hegemony – albeit central in Marxist tradition – has not concretized yet in a clear theoretical analysis, that often lays on the same line of thoughts of structuralist economists. This is reflected also in the general world vision of the ‘Socialist for the 21<sup>st</sup> century’ paradigm, whereby the post-capitalist transition is not perceived in a homogenous way, limiting the consensus to a vague and sometimes rhetoric anti-capitalist resistance.

Table 1: Alternative paradigms in the Latin American context

	<b>Neostructuralism</b>	<b>Socialism for the 21<sup>st</sup> century</b>
<b>Theoretical background</b>	Structuralism, elements of Keynesian theory, other heterodox approaches	Marxism, Bolivarianism
<b>Body of professionals</b>	ECLAC	ALBA-TCP Councils
<b>World Vision</b>	Participative growth	Anti-capitalist resistance, post-capitalist development
<b>Methodological starting point</b>	Holism	Holism
<b>Development: Main focus</b>	Economic development	Human development
<b>Development: Means</b>	Modernization	Solidarity
<b>Key agent</b>	Global system; open regionalism	People in the Global System; regional integration
<b>View on the Global relations</b>	Dependency relations	Imperialism
<b>Social conflict</b>	Subordinate social conflict to "common goal" of competitive insertion in world economy	<i>Poder Popular</i> as democratic oversight against foreign interferences
<b>Outcome</b>	Political and cultural space is shaped by requirements of globalization	Political and cultural space is ideally shaped by the needs of people

Source: author's representation

Concluding, the socialist paradigm - albeit constituted of all the three components above mentioned - still lacks of an efficient body of professionals that shares a unique and precise world vision, in order to orient policies towards Socialism in all the region. In this sense, ‘Socialism for the 21st century’ constitutes what we can call a *spurious paradigm*: although it contains a theory and a praxis, it still lacks of an homogenous consensus to drive the transition. In next section, on the basis of Table 1, we consider ALBA-TCP as the most important application of this paradigm, discussing the theoretical pillars of the Alliance.

## **2.2 Theoretical Pillars of ALBA-TCP: Endogenous Development and Regional Integration**

The notion of endogenous development constitutes “the main basis of the development centred policies” in ALBA-TCP (Tahsin 2011, p.208). Following a definition widely used by the Venezuelan government:

“Endogenous Development is a means to achieve the social, cultural and economic transformation of our societies, based on the revitalization of traditions, respect for the environment, and equitable relation of production.”  
(PDVSA 2017, online)

The notion of endogenous development as proposed within ALBA-TCP differs from the structuralist idea “that characterized previous import-substitution efforts; rather, it calls for incorporating the mass of the population that has been excluded from their share of the achievements of modern civilization” (Lebowitz 2006, p.40). Therefore, Lebowitz argues that “if a model of endogenous development is to be successful, it must base itself upon a theory that places the goal of human development first” (*ibid.*, p.41). In this sense, the notion of endogenous development constitutes “a clear rupture from IMF and World Bank oriented development projects and CEPAL's open regionalism” (Tahsin 2011, p.209).

Overall, endogenous development within the ALBA-TCP can be considered as a bottom-up approach oriented towards democratic participation, self-sufficiency fair use of national resources, with the final objective of promoting human development and social integration.

ALBA-TCP aims to promote endogenous development through a progressive process of regional integration, in line with the Bolívar's idea of *Patria Grande*, in a process that is ideally oriented towards a future United States of Latin America (Petras 2006). The project proposes a model opposed to the “hegemonic regionalism expressed firstly with the ALCA and then with Free-Trade Agreements, [...] while solving the structural problems, inequalities in trade, poverty and social exclusion” (Hernández and Chaudary 2015, p.6, author's translation). According to the words of Hugo Chávez (2008, p.31, author's translation), ALBA appears to be firstly and foremost a “social project” of regional integration, more than a mere “geopolitical, political, economic project”; for this reason, the model that inspired the Alliance can be defined as ‘social regionalism’ (Briceño-Ruiz 2014). In this sense, ALBA-TCP most relevant feature, “is the search for the people's integration rather than of States” (Bernal-Meza 2013, p.57), thus shifting regional integration from a “government issue [...] into a peoples’ issue” (de la Barra 2010, p.653).

Concluding, theoretically ALBA represents “*an answer truly rebellious, proactive and alternative against capitalism, [...] not oriented towards multinational firms, as it did the integrations that preceded ALBA - cepalina and neoliberal – since it places human development as its supreme goal*” (Pérez Garcia 2010, p.49, author's translation, emphasis in original)

### **2.3 A New Form of Latin American Regionalism: A Theoretical Assessment of ALBA-TCP Model of Regional Integration**

In order to evaluate whether the model of regional integration proposed by ALBA-TCP may constitute a valid path to promote post-capitalist transition and endogenous development, we need to highlight at least two conditions described by Bretherton and Vogler (1999) for actorness in international politics:

- a. Commitment to shared values and overarching principles;
- b. Domestic legitimacy in the decision processes and priorities relating to external policy.

In this sense, it is worth noting that, ideologically, ALBA accomplished in the “articulation of an anti-hegemonic and counter-dependent regional grouping that has resisted US and European Union dominance” (Treto 2011,p.95), but this resistance is often merely rhetoric, unable to build a common political and ideological ground to drive



the post-capitalist transition in all member countries, hence pursuing endogenous development as described in the previous section. In other words, even if there is an ideological common ground, its vagueness is such as to hinder the final goal, reducing itself to a simple hostility to the Global North.

Connected with the first issue, there is the unsolved problem of domestic legitimacy: even if decision making and foreign policy priorities were clearly defined for the Alliance as a whole, they are continuously undermined by external attempts to destabilize member countries and, in particular, Venezuela, then requiring a continuous revival of ideological furore to the detriment of development policies.

On a more theoretical level, it is difficult to argue, even with the lens of Marxist thought, that regional integration can somehow promote post-capitalist development leading, more specifically, to a new form of Socialism. In this sense, ALBA-TCP seems rather to be an attempt to solve the momentary impossibility to build Socialism on a continental and global scale by organizing it at regional level (Muhr 2013). However, this attempt faces severe contradictions (for instance, the region still owes its fortune and disgraces to the capitalist cycle of commodity prices), hence generating what Muhr (2013) defines an *enigma*, an implicit conundrum of any attempt to face the post-capitalist transition.

Summarising, we argue that theoretically there is no reason to support the idea that regional integration as proposed by ALBA-TCP can automatically promote post-capitalist development; it can, however, help in sustaining economic development by taking advantage of cooperative advantages, setting a fruitful exchange of knowledge, as well as of goods and services to satisfy basic needs.

### 3. The Making of ALBA-TCP and the Promise of Endogenous Development

The Chapter seeks to investigate the practical building of ALBA-TCP, by describing its institutional goals and economic performances in Section 3.1, then discussing the tools used in order to promote economic development. Finally, we provide an overview of unsolved problems of the Alliance and its main contradictions (Section 3.3).

#### 3.1 What is ALBA-TCP: Institutional Goals and Economic Performances

To today, ALBA-TCP incorporates 11 Latin American and Caribbean countries, as well as three external observers, namely Haiti, Iran and Syria as summarized in Table 2<sup>4</sup>.

Table 2: Member Countries of ALBA-TCP

Member Countries	Date joined
Cuba	14-Dec-04
Venezuela	14-Dec-04
Bolivia	29-Apr-06
Nicaragua	23-Feb-07
Dominica	20-Jan-08
Antigua and Barbuda	24-Jun-09
Ecuador	24-Jun-09
Saint Vincent and the Grenadines	24-Jun-09
Saint Lucia	20-Jul-13
Grenada	14-Dec-14
Saint Kitts and Nevis	14-Dec-14

Source: author's representation, from [www.alba-tcp.org](http://www.alba-tcp.org)

On the basis of the inspiring principles discussed in Chapter 2, with Petras (2006) we can define ALBA-TCP as an alternative model oriented towards five main institutional goals, as summarised in Table 3.

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<sup>4</sup> An accurate description of ALBA-TCP history is provided in Vasapollo (2016).

Table 3: Institutional goals of ALBA-TCP

<b>Goal</b>	<b>Explanation</b>
Economic complementarity within member countries	Division of production based on reciprocal benefits
Extension and deepening of domestic markets	To promote endogenous development under relatively equality of competitive positions
Increase in consumption and production of products of mass consumption	Eradication of poverty; promotion of rising living standards;
Building a collective defence framework	Protection against US and, more general, Western impositions
Building a powerful collective bargaining bloc	Reduction, renegotiation, repudiation or investigation of foreign debts to creditor banks; negotiation on a more equal basis with other regional blocs like the European Union, NAFTA and ASEAN.

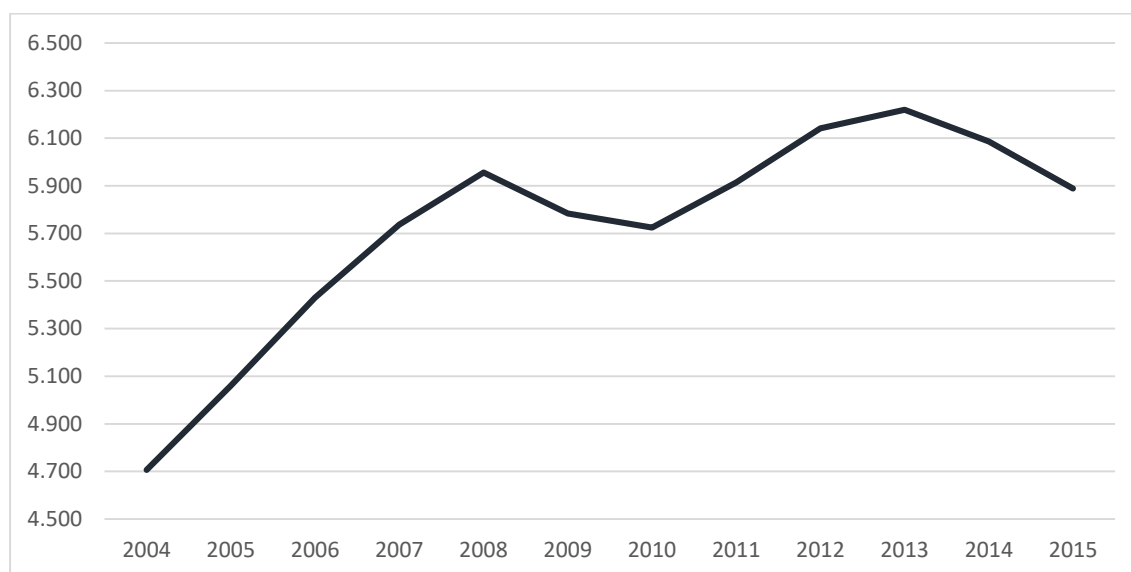
Source: author's representation, adapted from Petras (2006)

From 2004, the countries that are now members of ALBA-TCP experienced - taken together – a substantial increase in GDP per capita (PPP). In particular, it is possible to observe a significant boom during the four years between 2004 and 2008, mainly due to the record Venezuelan growth (of about 9-10% in GDP per capita)<sup>5</sup>. After a mild decrease corresponding to the financial crisis and subsequent recovery, we can observe a drop from 2013 onwards, corresponding to the slowing down of oil prices, followed by its downfall in 2014.

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<sup>5</sup> It is worth noting that the Venezuelan growth rates derive in its turn not only from the international bonanza of oil prices following the Iraq invasion, but also from the exchange rate policies of strict control taken by the Chávez government, that allowed a synthetic boom in oil revenues.

Figure 1: GDP per capita (PPP) in ALBA-TCP member countries, 2004-2015



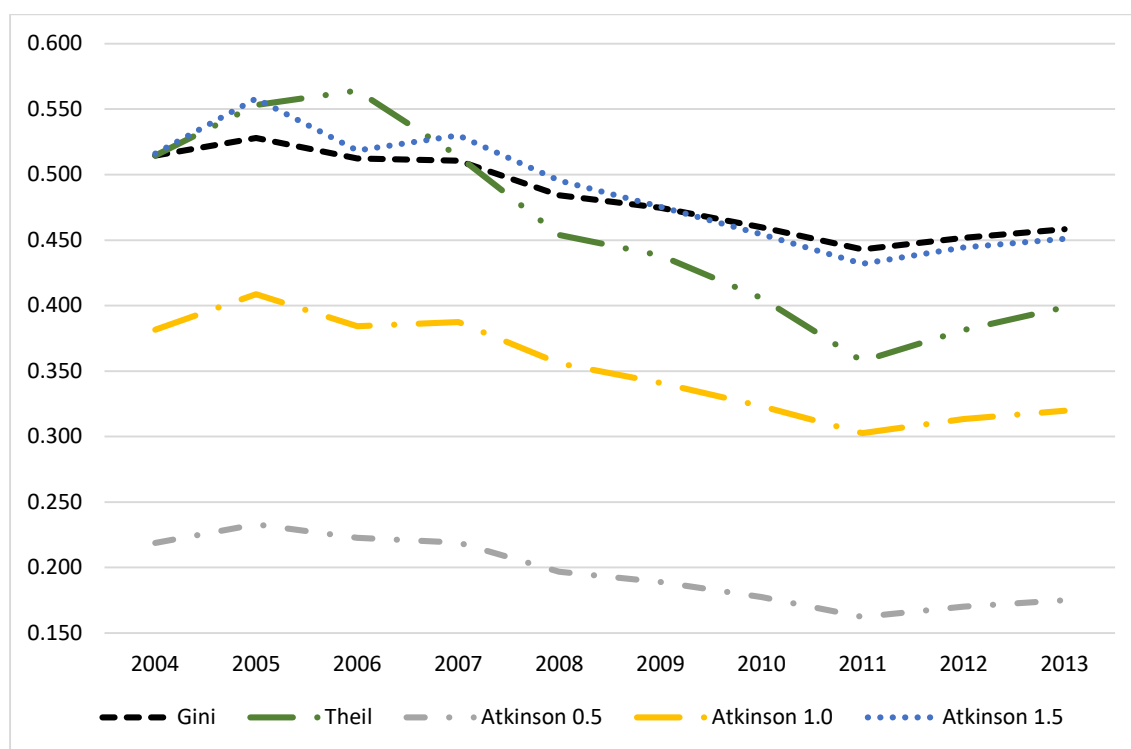
Source: author's representation, CEPALSTAT

Looking at the main inequalities indicators in selected countries of the Alliance<sup>6</sup> (Figure 2), it is easy to note as the political economy of the 'pink tide' affected the areas in the considered time frame, with a significant decrease of all the indicators in the years between 2005 and 2011. The assessment of a correlation between inequality indicators and oil prices will be subject to further research, but at this stage we presume that the mild increase in the years 2011-2013 may be a consequence of the end of the international bonanza that characterized the years between 2002 and 2011.

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<sup>6</sup> We take into account Bolivia, Ecuador and Venezuela, since data for Cuba and other member countries are not available in the ECLAC database. A more detailed data analysis will be the subject of further studies.

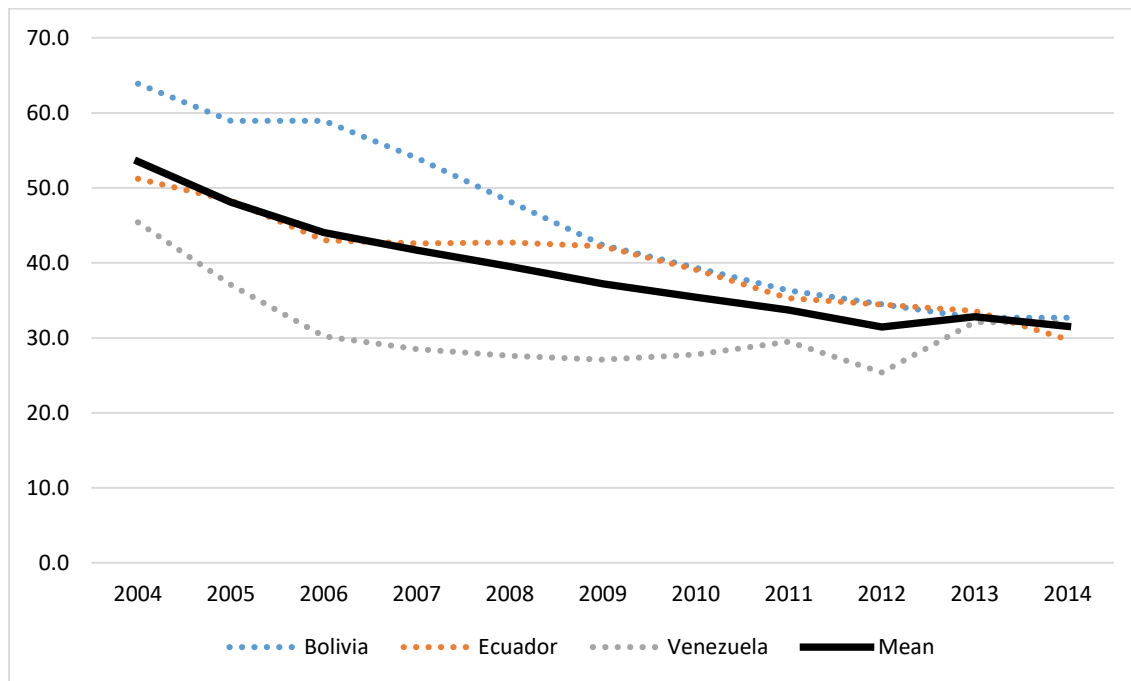
Figure 2: Inequality indicators in selected ALBA member countries, 2004-2013



Source: author's representation, CEPALSTAT

Regarding the goal of poverty reduction for the same countries (Figure 3), data show a similar trend, capturing a significant decrease after 2004 (with a particularly sharp reduction in Venezuela in the years 2004-2006), followed by a slowing down since 2012.

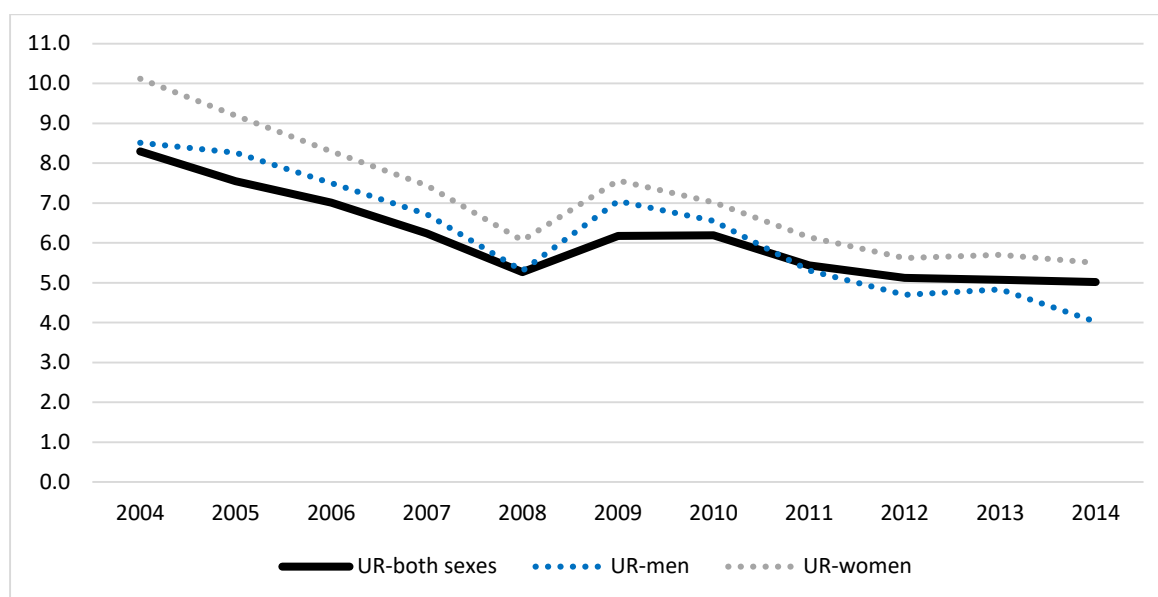
Figure 3: Population living below the national poverty lines (% of total population) in selected ALBA member countries, 2004-2014



Source: author's representation, CEPALSTAT

Furthermore, the region shows important signs in terms of unemployment reduction and, in particular, of women unemployment, with an overall reduction in the unemployment rate stopped only between 2008 and 2010 (Figure 4).

Figure 4: Unemployment rate by sex in selected ALBA member countries<sup>7</sup>, 2004-2013



Source: author's representation, CEPALSTAT

Overall, we can argue that the member countries of the Alliance – all or some of them – showed good economic performances, at least until 2011-2012, hence suggesting that development in these countries may excessively rely on the cycle of international commodity prices; we will come back on this point in Section 3.3.

<sup>7</sup> The data on unemployment rate for both sexes include Bolivia, Cuba, Nicaragua and Venezuela, while sex disaggregation excludes Nicaragua (data are not available from 2009 onwards). This is the reason why unemployment rate for both sexes in certain years is lower than the others.

### 3.2 Main Tools for the Promotion of Endogenous Development

To today, the main tools proposed within the ALBA-TCP to promote endogenous development in all member countries are the Grand National Corporations (GNCs), Peoples' Trade Treaty, SUCRE, Petrocaribe and the ALBA-Bank, as summarised in Table 4.

Table 4: Main tools for economic development in the ALBA-TCP

Tools	Member countries	Specific goals
Grand National Corporations ( <i>Empresas Grannacionales</i> )	All ALBA-TCP member countries	Production integration; to provide products for mass consumption; creation of a fair trade area
Peoples' Trade Treaty ( <i>Tratado de Comercio de los Pueblos, TCP</i> )	Bolivia, Cuba, Venezuela	To exchange integral technological packages and knowledge; Commercial exchange of goods and services at favourable conditions
SUCRE	Bolivia, Cuba, Ecuador, Nicaragua, Venezuela	To promote financial integration and improve borrowing conditions for member countries
Petrocaribe	All ALBA-TCP member countries (except Bolivia and Ecuador) plus other 8 Caribbean countries <sup>a</sup>	Creation of a new framework of oil purchasing on conditions of preferential payment
ALBA Bank ( <i>Banco del ALBA</i> )	Bolivia, Cuba, Dominica, Nicaragua, San Vicente y las Granadinas, Venezuela	To finance projects to promote employment creation, innovation, valorisation of resources and protection of natural ones
<b>Note a:</b> The countries are Bahamas, Belize, Dominican Republic, Guatemala, Guyana, Haiti, Honduras, Jamaica		

Source: author's representation

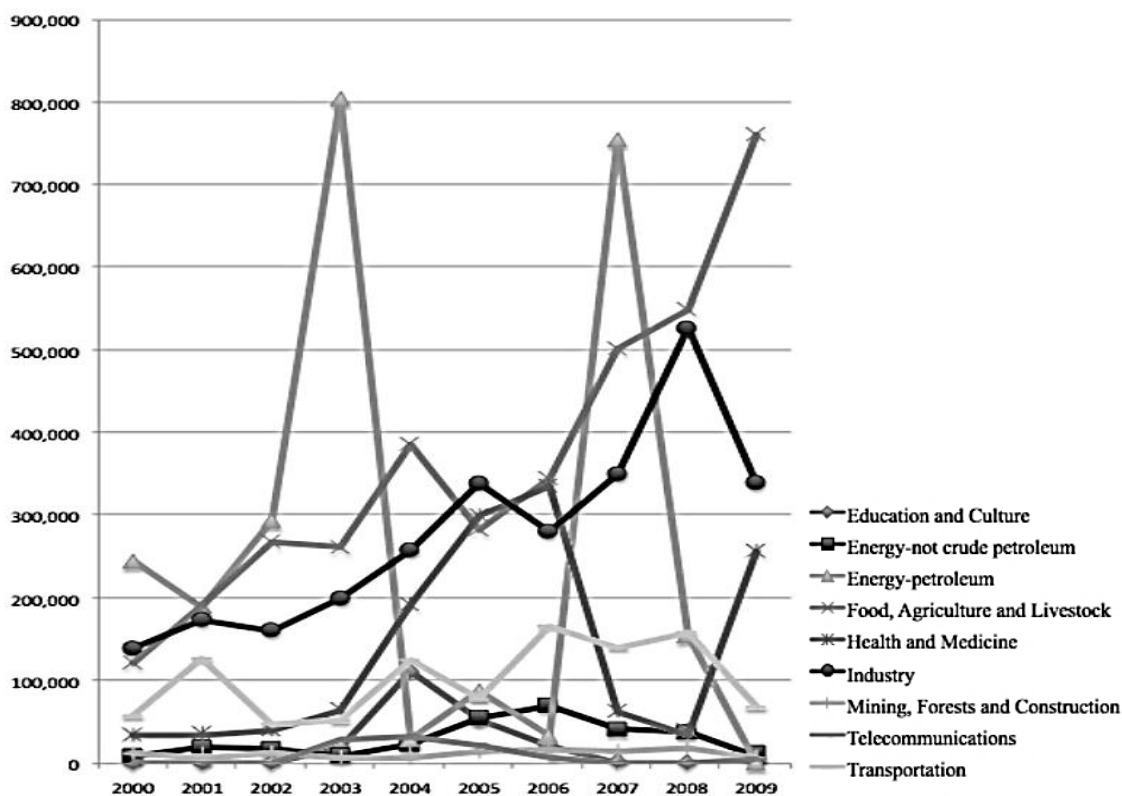
In this paper we briefly focus only on GNCs, since they constitute the only project that involves all the ALBA-TCP member countries, as well as the sole peculiar and intentional tool to promote endogenous development. Each GNC fits into one of twelve Gran



National Projects (GNPs)<sup>8</sup>, responsible in the provision of goods and services for the ‘people’ of the Alliance. Therefore, “GNCs’ productive dynamics are oriented towards the production of use value” (Muhr 2010b,p.47) and exchanged between countries through Compensated Trade Agreements (CTAs) based on solidarity, fair conditions and “Polanyian reciprocity” (Strange 2014, p.106).

Because of the newness of the project and of lack of data is impossible to directly assess the effects of GNCs on economic development, but we can evaluate and decompose trade flows. In this sense Aponte-Garcia (2011,p.10) – after illustrating that intra-ALBA-TCP trade increased of 42% after the introduction of the Alliance<sup>9</sup> – shows as “the most significant category is not petroleum, except for years 2003 and 2007” (Figure 5). Conversely, “significant increase in intra-ALBA trade is associated to areas of activity linked to the Grandnational Enterprise ALBA-Food” (*ibid.*).

Figure 5: Intra-ALBA Trade (exports) according to category of GNPs (thousands of USD)



Source: Aponte-García (2011), UNComtrade data

<sup>8</sup> The macro areas are: food, environment, science and technology, fair trade, culture, education, energy, industry and mining sector, health, telecommunication, transportation and tourism.

<sup>9</sup> She considers two time periods: 1998-2004 and 2005-2009.

Summarising, GNCs seem to be the main tool in the hands of the Alliance to replace the principle of comparative advantages with cooperative ones, hence constituting “an alternative model to structure regional production chains” (Aponte-García 2011, p.15), as well as the flesh and bones of ALBA’s model shift beyond capitalism (Tahsin 2011).

### **3.3 Unsolved Problems of the Alliance and its Contradictions**

In this section we divide the problems afflicting the Alliance in political and governance problems, on one hand, and purely economic ones, on the other.

We argue that all the political problems can be traced back to the fact that not all member countries are in the (same) path to ‘Socialism for the 21<sup>st</sup> century’ and/or they do not share the same view on how to pursue it. As related to the governance model, using again the criteria of Bretherton and Vogler (1999), even if ALBA-TCP shows good signals in terms of coherence (i.e. there is a satisfying coordination of regional policies), it suffers problems of consistency, with a degree of congruence between the external policies of member States and of the Alliance that is sometimes contradictory<sup>10</sup>. Together with the lack of a solid Economic Council<sup>11</sup>, this translates in a weakening of undertaken development policies. Therefore, South-South cooperation within the Alliance results effective only as related to specific issues, as food and health programme, but without solving the structural dependences of member countries in terms of technology, telecommunication and their application in the production process.

Even if empirical evidences suggest that ALBA-TCP is not a merely oil-based alliance, it relies disproportionately – both in financial and political terms – on Venezuela, whose economic performances are in its turn highly dependent on the cycle of oil prices. Therefore, it is no wonder that the Alliance is facing a dramatic crisis after the 2014 drop in oil prices<sup>12</sup>. Until today, although a socioeconomic programme is clearly defined in the ALBA-TCP agenda, the Alliance succeeded only in supplying basic needs, giving

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<sup>10</sup> The main reason for this lack of consistency is the fragmentation of Latin American regionalism, with member countries of ALBA-TCP that join at the same time other organizations and agreements. For an overview, even if not up-to-date, see Vaillant (2007).

<sup>11</sup> To today, of 4 ALBA-TCP Councils (Social, Economic, Political and Social Movements Council), the Political one is the only well-structured. The Economic Council held only six meetings in the history of the Alliance, with the last one in October 2014.

<sup>12</sup> A clear measure of the crisis is shown by transactions held with SUCRE (in millions of XSU), that dropped of -53.77% from 2013 to 2014 (source: Consejo Monetario Regional Del Sucre, see Appendix, Figure 6).

importance to human resources (Tahsin 2011), but failing the goal of fostering development in science and technology.

Concluding, we argue that the Alliance is a potential project to promote endogenous development; however, to today, evidences show that it had a very limited impact in this sense. If it does not solve the severe political and economic problems here discussed, it would face a long-term existential crisis followed by its probable dissolution.

#### 4. Policy Implications

Let alone the political problems underlined in Section 3.3, we briefly discuss what should be done to make ALBA-TCP proposal more effective.

First, we highlight the importance of industrialization as a process to detach from the centre, hence taking back insights from Neostructuralist thought; declining it in an anti-capitalist framework, this can be achieved by strengthening GNPs, focusing more-in-depth in the fields of technological improvements and its application in the production process. At the same time, the need for industrialization cannot be detached from policies of fostering aggregate demand, continuing on the path of poverty and inequality reduction, while empowering people. However, since it is unlikely that the process can take place at regional level, at this stage a specific protagonism of member countries is required, leaving to the Alliance the role of advising and supervising the national processes. Furthermore, if the alliance is willing to pursue socialist development, it should put as a priority a central planning agency that can lead the process of diversification of the economy of the whole region (Vasapollo 2016) and on the country level, in particular in Venezuela; with a particular regard to this country, we suggest a massive public investment to boost domestic production, thus limiting the relying of the economy on imports, as well as contrasting the *contradictions* of oil-based development<sup>13</sup>.

Furthermore, it is fundamental to build a stable monetary system, besides developing a domestic – and regional – financial sector (Herr and Priewe 2005). In this sense, SUCRE can play a prominent role, by building a strong currency for intra-ALBA and Latin American trade, hence partially solving the problems related to ‘original sin’ (Eichengreen, Haussmann and Panizza 2002).

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<sup>13</sup> In our analysis we reject the notion of “Dutch disease” because it fails in providing an “analysis of resource rich economies *[based]* on the country-specific mediations among institutions, classes and economic performance.” (Saad-Filho and Weeks 2013, p.5)

## **5. Conclusion**

After the fall in oil prices in 2014 and the deep Venezuelan crisis, also the studies on ALBA-TCP model experienced a sudden stop. In this paper, we reconnected and actualized past works, both in theoretical and practical terms. In the theoretical chapter, we provided an overview of the ‘Socialism for the 21<sup>st</sup> century’ paradigm, discussing the pillars of the model of regional integration proposed by ALBA-TCP. Thereafter, we discussed more-in-depth how the Alliance is supposed to promote economic development in its member countries and what are its problems and contradictions so far.

Firstly, we showed that there is no theoretical reason to support the idea that regional integration as proposed by ALBA-TCP can automatically promote post-capitalist endogenous development. Because of the principle of cooperative advantages, countries can solely set a fruitful exchange of knowledge, as well as of goods and services to satisfy basic needs, but regional integration is unlikely to boost development in all other fields. This was exactly the path showed by ALBA-TCP countries in their recent history. Consequently, we argued that, even if the Alliance is a potential project to promote endogenous development, to today evidences show that it had a very limited impact in this sense, succeeding only in supplying basic needs, but failing the goal of fostering development in science and technology.

Concluding, we suggest to undertake policies of public investment at country level, then aiming to create a solid monetary and financial system. Therefore, we recommend to continue on the path of reducing inequality, as a necessary condition for development to take place. To a certain extent, latest meeting of ALBA-TCP Presidential Council in March 2017 seems to move in that direction. It has to be seen whether member countries will have the economic capacity and the political legitimacy to pursue these policies.

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## Appendix

Figure 1: GDP per capita (PPP) in ALBA-TCP member countries, 2004-2015

Total Annual Gross Domestic Product (GDP) at constant prices in dollars (Millions of dollars)													
Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Antigua and Barbuda	1070.9	1138.2	1283.9	1403.2	1403.9	1234.9	1147.9	1127.7	1171.0	1168.6	1222.4	1272.9	
Bolivia (Plurinational State of)	15032.0	15696.7	16449.7	17200.5	18258.0	18871.0	19649.7	20672.3	21731.2	23208.1	24475.4	25661.9	
Cuba	44499.0	49483.8	55454.4	59481.5	61930.3	62828.9	64328.2	66131.4	68124.8	69999.4	70732.7	73774.2	
Dominica	413.6	416.3	435.7	463.3	496.3	490.5	493.8	492.7	487.4	491.2	511.7	502.7	
Ecuador	55917.5	58876.3	61468.9	62815.1	66808.4	67186.8	69555.4	75028.1	79261.1	83181.8	86503.0	86639.5	
Grenada	712.3	806.8	774.6	822.1	829.9	775.0	771.0	776.9	767.9	786.0	843.7	896.3	
Nicaragua	7406.5	7723.7	8044.4	8469.8	8711.3	8471.0	8741.3	9286.0	9805.2	10249.6	10717.6	11245.8	
Saint Kitts and Nevis	632.9	688.4	700.9	699.7	743.7	721.2	705.0	721.9	717.6	762.2	807.7	838.1	
Saint Vincent and the Grenadines	621.4	636.9	685.8	702.4	720.0	704.9	681.2	678.4	687.7	700.3	708.4	719.8	
Saint Lucia	1133.9	1128.4	1205.2	1217.1	1267.9	1263.4	1241.9	1244.9	1226.8	1227.6	1232.2	1255.9	
Venezuela (Bolivarian Republic of)	181075.2	199758.4	219478.8	238691.1	251288.8	243241.8	239620.4	249628.0	263672.0	267213.3	256807.0	242169.0	
GDP TOTAL	308515.2	336353.8	365982.3	391965.7	412458.5	405789.4	406935.9	425788.2	447652.8	458988.2	454561.7	444975.9	
Population TOTAL	65554.5	66480.6	67408.0	68331.8	69252.4	70168.7	71080.6	71989.3	72894.2	73794.9	74686.3	75563.7	
GDP per capita	4.706	5.059	5.429	5.736	5.956	5.783	5.725	5.915	6.141	6.220	6.086	5.889	

Source: CEPALSTAT, author's representation

Figure 2: Inequality indicators in selected ALBA member countries, 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Bolivia (Estado Plurinacional de)</b>										
Gini	0.561	<u>0.563</u>	<u>0.563</u>	0.565	<u>0.537</u>	0.508	<u>0.490</u>	0.472	<u>0.482</u>	0.491
Theil	0.636	<u>0.623</u>	<u>0.623</u>	0.609	<u>0.560</u>	0.511	<u>0.455</u>	0.398	<u>0.429</u>	0.459
Atkinson 0.5	0.264	<u>0.266</u>	<u>0.266</u>	0.268	<u>0.246</u>	0.223	<u>0.205</u>	0.187	<u>0.197</u>	0.206
Atkinson 1.0	0.452	<u>0.470</u>	<u>0.470</u>	0.488	<u>0.451</u>	0.413	<u>0.386</u>	0.359	<u>0.374</u>	0.388
Atkinson 1.5	0.600	<u>0.644</u>	<u>0.644</u>	0.687	<u>0.641</u>	0.594	<u>0.561</u>	0.527	<u>0.548</u>	0.568
Log-variance	1.559	<u>1.812</u>	<u>1.812</u>	2.064	<u>1.803</u>	1.541	<u>1.398</u>	1.255	<u>1.333</u>	1.411
<b>Ecuador</b>										
Gini	0.513	0.531	0.527	0.540	0.504	0.500	0.495	0.460	<u>0.469</u>	0.477
Theil	0.519	0.565	0.711	0.612	0.507	0.502	0.499	0.400	<u>0.426</u>	0.451
Atkinson 0.5	0.217	0.233	0.241	0.243	0.209	0.207	0.204	0.173	<u>0.181</u>	0.188
Atkinson 1.0	0.374	0.396	0.390	0.404	0.362	0.356	0.350	0.310	<u>0.318</u>	0.325
Atkinson 1.5	0.495	0.521	0.503	0.522	0.483	0.474	0.466	0.424	<u>0.428</u>	0.432
Log-variance	1.089	1.187	1.081	1.175	1.041	1.005	0.972	0.855	<u>0.859</u>	0.863
<b>Venezuela (República Bolivariana de)</b>										
Gini	0.470	0.490	0.447	0.427	0.412	0.416	0.394	0.397	0.405	0.407
Theil	0.389	0.472	0.359	0.321	0.295	0.302	0.264	0.275	0.290	0.286
Atkinson 0.5	0.175	0.200	0.161	0.146	0.136	0.137	0.123	0.127	0.133	0.131
Atkinson 1.0	0.319	0.360	0.293	0.270	0.255	0.254	0.233	0.239	0.249	0.246
Atkinson 1.5	0.453	0.510	0.409	0.381	0.363	0.358	0.337	0.345	0.358	0.353
Log-variance	0.935	1.148	0.811	0.734	0.689	0.673	0.623	0.641	0.673	0.661
<b>MEAN</b>										
Gini	0.515	0.528	0.512	0.511	0.484	0.475	0.460	0.443	0.452	0.458
Theil	0.515	0.553	0.564	0.514	0.454	0.438	0.406	0.358	0.381	0.399
Atkinson 0.5	0.219	0.233	0.223	0.219	0.197	0.189	0.177	0.162	0.170	0.175
Atkinson 1.0	0.382	0.409	0.384	0.387	0.356	0.341	0.323	0.303	0.313	0.320
Atkinson 1.5	0.516	0.558	0.519	0.530	0.496	0.475	0.455	0.432	0.445	0.451
Varianza logarítmica	1.194	1.382	1.235	1.324	1.178	1.073	0.998	0.917	0.955	0.978
Note: underlined values are calculated as a mean of previous and following periods										

Source: CEPALSTAT, author's representation

Figure 3: Population living below the national poverty lines (% of total population) in selected ALBA member countries, 2004-2014

Countries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Bolivia (Estado Plurinacional de)</b>	63.9	<u>59.0</u>	<u>58.95</u>	54.0	<u>48.2</u>	42.4	<u>39.4</u>	36.3	<u>34.5</u>	32.7	<u>32.7</u>
<b>Ecuador</b>	51.2	48.3	43.0	42.6	42.7	42.2	39.1	35.3	<u>34.5</u>	33.6	29.8
<b>Venezuela (República Bolivariana de)</b>	45.4	37.1	30.2	28.5	27.6	27.1	27.8	29.5	25.4	32.1	<u>32.1</u>
<b>MEAN</b>	53.5	48.1	44.1	41.7	39.5	37.2	35.4	33.7	31.5	32.8	31.5
Note: underlined values are calculated as a mean of previous and following periods; missing 2014 values are assumed to be the same of the previous year											

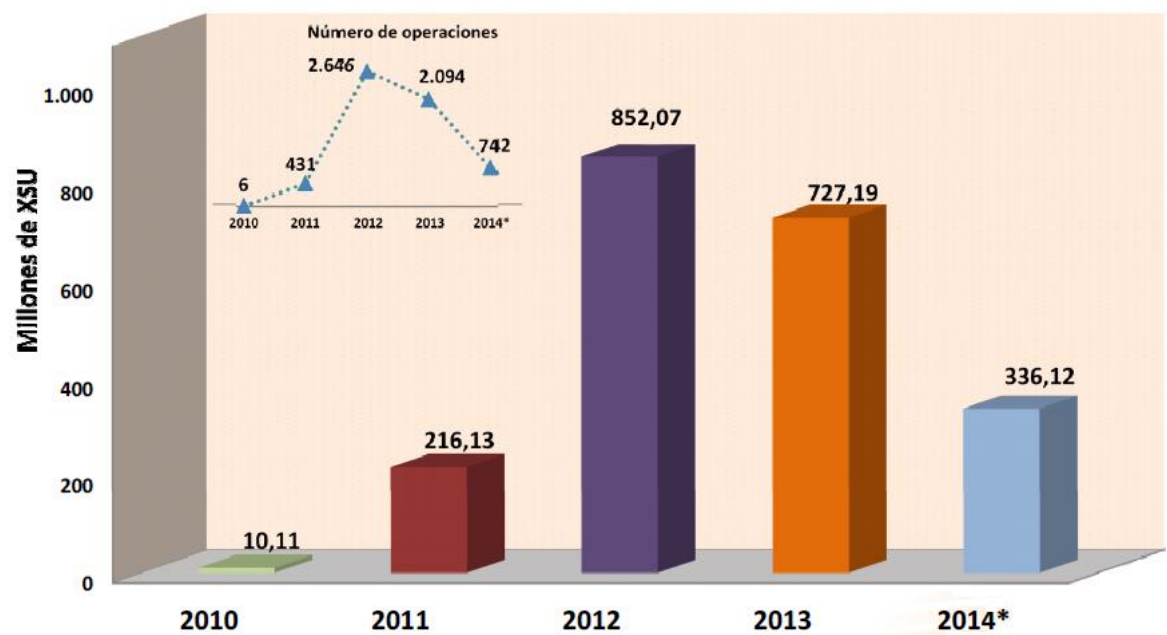
Source: CEPALSTAT, author's representation

Figure 4: Unemployment rate by sex in selected ALBA member countries, 2004-2013

<i>(Average annual rate)</i>											
<i>Country / Sex</i>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Bolivia (Plurinational State of)</b>											
Both sexes	6.2	8.1	8.0	7.7	4.4	4.9	4.4	3.8	3.2	4.0	3.5
Men	5.0	6.8	7.1	6.3	3.3	6.6	4.9	3.1	2.2	3.2	2.5
Women	7.5	9.9	9.1	9.4	5.7	9.4	7.1	4.7	4.4	5.1	4.9
<b>Cuba</b>											
Both sexes	1.9	1.9	1.9	1.8	1.6	1.7	2.5	3.2	3.5	3.3	2.7
Men	1.7	1.8	1.7	1.7	1.3	1.5	2.4	3.0	3.4	3.1	2.4
Women	2.2	2.2	2.2	1.9	2.0	2.0	2.7	3.5	3.6	3.5	3.1
<b>Ecuador</b>											
Both sexes	9.7	8.5	8.1	7.4	6.9	8.5	7.6	6.0	4.9	4.7	5.1
Men	7.4	6.8	6.2	6.0	5.6	7.1	6.3	5.1	4.5	4.2	4.5
Women	12.8	10.9	10.6	9.2	8.7	10.4	9.3	7.1	5.5	5.4	6.0
<b>Nicaragua</b>											
Both sexes	8.6	7.0	7.0	5.9	6.1	7.9	7.8	5.9	5.9	5.6	6.6
Men	8.6	7.8	8.1	7.6	8.4	...	...	...	...	...	...
Women	8.5	6.1	5.7	6.0	7.6	...	...	...	...	...	...
<b>Uruguay</b>											
Both sexes	13.1	12.2	11.3	9.8	8.3	8.2	7.5	6.6	6.7	6.7	6.9
Men	10.3	9.6	8.7	7.2	6.1	6.1	5.7	5.3	5.3	5.2	5.5
Women	16.6	15.3	14.2	12.7	10.8	10.5	9.5	8.1	8.3	8.4	8.5
<b>Venezuela (Bolivarian Republic of)</b>											
Both sexes	15.1	12.3	10.0	8.4	7.3	7.9	8.7	8.3	8.1	7.8	7.2
Men	13.1	11.3	9.2	7.9	7.0	7.4	8.5	7.7	7.4	7.1	6.7
Women	17.9	13.8	11.3	9.3	7.8	8.5	9.0	9.2	9.0	8.8	8.0

Source: CEPALSTAT, author's representation

Figure 6: Transactions held with SUCRE (millions of SUCRE and number of transactions in absolute terms), 2010-2014



Source: Consejo Monetario Regional Del Sucre