

Another way is possible

fair trade, cooperation and solidarity

NICARAGUA AND THE BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA)

As the Eurozone plunges into meltdown and the governor of the Bank of England predicts the worst crisis in the UK since the depression, in Latin America the countries of the Bolivarian Alliance for the Peoples of our America (ALBA) are successfully putting into practice innovative trading relations based on solidarity. Trade is being turned into a tool to combat poverty, rather than the enrichment of powerful countries at the expense and impoverishment of poorer ones. ALBA is one of the integration initiatives across Latin America and the Caribbean as the region reaffirms its sense of identity and

“ ALBA means daybreak, hope, a new opportunity for Latin American nations to use their resources for trade exchange to escape from poverty and ensure a more just distribution of wealth not only at a national level but across Latin America. That is why we recognise categorically the positive impact of ALBA in Nicaragua. With ALBA it isn't a case of I get what I need and everyone else can get swept away on the tide. It brings countries of Latin America together to fight poverty, systematically and in an integrated way, the poverty we inherited from unjust trade treaties. ”

Walmarto Gutierrez Mercado
Economic commission of the Nicaragua National Assembly

Thanks to ALBA-literacy, in only seven years, four countries – Nicaragua, Ecuador, Bolivia and Venezuela – were declared by UNESCO as free of illiteracy with 3,470,000 people having learned to read and write using the Cuban 'Yo si puedo' method. Nicaragua implemented a campaign from 2007 until 2009 cutting illiteracy from 27% to 4.75% through mobilising over 50,000 volunteers who taught 12 week courses in private homes, churches, community centres, prisons and public buildings.

independence and establishes itself as a significant epicentre of global power.

Formed in 2004 by Cuba and Venezuela, ALBA is a bloc of Caribbean and Latin American countries who believe that unity is essential to addressing the profound challenges of poverty, inequality, exclusion and climate change. States that make up ALBA are Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines, and Venezuela. Together they have a total population of nearly 70 million.

ALBA was set up as an alternative to the Free Trade Area of the Americas (FTAA), a US attempt to create the world's largest trading bloc by swallowing up the 34 countries of the Americas with a population of 745 million. Bolivian president Evo Morales described the initiative as “a proposal to legalise the colonisation of the Americas.” FTAA was finally buried at the Summit of the Americas in Argentina in 2005 as the countries of the region asserted their authority and definitively rejected US attempts to dominate and absorb the whole region.

“ There is a direct line of anti-imperialist thought and action that comes from Simón Bolívar and Francisco Morazán through José Martí in Cuba, and Emiliano Zapata in México. This vision and struggle has been strengthened through the example of Sandino, Fidel, Che and Salvador Allende. ALBA is the most advanced expression of this vision of unity, humanity, liberation and sovereignty. It is a revolutionary process to benefit the great majority who historically have been repressed, excluded and denied access to the resources of their own countries and the fruits of their own labours. ”

Walter Castillo Sandino
Grandson of the Nicaraguan liberation hero Augusto Cesar Sandino



JENNY MATTHEWS

Principles of ALBA

Trade and investment are not an end in themselves but instruments to achieve just and sustainable development.

Solidarity means shared responsibility and mutual support to achieve sustainable and integrated human development. Between 2005 and 2011 the Cuban-Venezuelan Operation Miracle provided free eye treatment to 1.9 million people in 33 Latin America and Caribbean countries including 80,000 Nicaraguans.

Complementary action recognises the potential of each nation, for example Nicaragua produces food needed by Venezuela, and Venezuela has fuel essential for Nicaragua. The two countries fix a price for the products to ensure fairness for producers and good quality products at an affordable price for consumers.

Cooperation encompassing development of joint projects and strategic alliances for mutual benefit. For example, more than one third of Venezuela's oil is refined in the US. In order to achieve greater energy security and to dilute US political leverage two oil refineries are being built in Nicaragua and Cuba. Construction of the oil refinery in Nicaragua called the 'Supreme Dream of Bolivar' is due for completion in 2013. The refinery will have the capacity to supply 45 million barrels of oil annually to the Central American region and parts of the Caribbean. Nicaraguan Labour minister Jeanette Chavez predicts that the refinery will create up to 20,000 jobs.

Respect for national sovereignty meaning there are no rigid formulas, ALBA initiatives are implemented in different ways in different countries according to the national context.

ALBA and Nicaragua: a more just society is possible

Since returning to power in 2007, the Sandinista government has implemented programmes to address poverty and social exclusion in a way that is holistic and integrated, the most fundamental of these being access to free health care and education. ALBA funded programmes have been key to this strategy. They include credit and technical training programmes for small farmers - particularly women - to

improve food security; food, transport and electricity at affordable prices; land titles, housing repair and construction programmes; micro credit for women; and bonuses for low paid state sector workers. Transport infrastructure, power generation and electrification programmes have benefited all Nicaraguans particularly those who are most impoverished even in more remote areas ignored by previous governments.

Land titles and housing programmes

A survey undertaken by the Public Housing Institute in 2008 found that of the one million houses in Nicaragua over half were unfit for human occupation. Problems include homelessness, houses in a state of collapse and families who do not own the land their houses are built on. To address these problems the government has provided land titles to 136,000 families which means greater security for the families concerned and access to public services. Over 150,000 families have benefited from Plan Techo (Roof Plan) that has provided sheets of zinc and nails for impoverished families living in poor quality, damp housing. Social housing programmes enable families to buy houses at low rates of interest; other programmes fund housing improvements.

Energy and rural electrification programmes

When the Sandinistas returned to power in 2007, power cuts of up to 14 hours per day paralysed daily life and the economy. ALBA has played a key role in investment that has successfully overcome this problem. From 2011 - 2016 ALBA funds will provide US\$340 million for renewable energy projects including a wind farm and a geothermal plant. Between 2006 and 2011 the area of the country with electricity has increased from 53% to 70%, representing a total of 908 communities with a population of 270,000. The electrification project of the Ministry of Energy and Mines includes health, education and renewable energy programmes that have reached even isolated areas of the country abandoned by previous governments.

Health care

As part of the government's commitment to providing free, good quality health care for all, ALBA has contributed two high technology centres where free cat scans benefit thousands of patients ensuring more accurate diagnosis and earlier treatment, particularly for cancer

patients. To complement the government programme of health care centres and maternity houses in rural areas ALBA has also funded mobile consulting units that travel to remote communities with facilities for ultrasound, dentistry, gynaecological services and general medical care to people who had previously had no access to these services.

Zero Hunger Programme



TORTILLA CON SAL

Venezuela sells oil to Nicaragua at market prices. Half the value is paid within 90 days in cash or in products such as meat, coffee, beans, milk, cooking oil and sugar. Priority is given to produce from small farmers organised into cooperatives. The other half of the value of the oil becomes a 25 year loan at 2% interest. These funds are invested in infrastructure and social projects such as the Zero Hunger programme. This involves 75,000 rural women and their families who are provided with a pregnant cow,

a pregnant pig, hens and a rooster, seeds and seedlings materials for building pens and other facilities, seeds and seedlings together with training and technical assistance. The aim is to improve food security and nutrition and enable them to generate an income for their families. In November 2011 the UN Food and Agriculture Organization (FAO) declared that Nicaragua has already met the first Millennium Development Goal of cutting malnutrition by half. The Zero Hunger programme has contributed significantly to this achievement.

Micro credit programme: empowering women

Lina Colindres Cervellon lives in the neighbourhood of La Comuna in Esteli in northern Nicaragua. Lina is a member of a solidarity group of five women who came together to develop ideas for small businesses and to apply for loans from the government micro credit programme 'zero usury'. Eighty

thousand women have benefited from this programme. In addition to the loan the women receive technical assistance to draw up business plans and training in business development. The five women in Lina's group are selling phone cards, hair dressing, selling dairy products, making linings for coffins and selling from a roadside stall. Each of the women has

received a loan of C\$5,500 (£160) at a low rate of interest. Lina explains that 'it would have been impossible to get loans from normal banks at interest rates of 25% to 30%.' The group is individually and collectively liable for the repayment of the loans which are paid back into a revolving loan fund overseen by the local neighbourhood committee.

Nicaragua's contribution to ALBA

Nicaragua, as the only Central American member of ALBA, is important politically and strategically to the ALBA alliance, that speaks out in international fora as a unified bloc.

The setting up of cooperatives, in particular in rural areas, was a key element in the Sandinista agrarian reform programme of the 1980s. Since the Sandinistas returned to power in 2007

the cooperative movement, after 16 years of decline, has been reactivated as part of government programmes to support small and medium producers and improve food security. The Nicaragua cooperative movement has been identified as a possible model for the whole of ALBA. In July 2011, a Cuban delegation visited Nicaragua to look at Nicaraguan cooperatives as a potential model for the development of cooperatives in Cuba.

What difference has ALBA membership made in Nicaragua?

Nicaragua joined ALBA in 2007 after the election of the Sandinista party. The Sandinistas again won elections in November 2011 with a resounding 60% of the vote, 30% more than the second placed party. One of the key reasons for this landslide victory is the success of the government in stabilizing the economy – attracting national and international investment and diversifying markets – while at the same time implementing infrastructure and social programmes that have reached those most impoverished in even the remotest areas of the country. Many of these programmes been funded through ALBA. According to the International Foundation for Global Economic Challenge (FIDEG) between 2005 and 2010 poverty in rural areas fell from 30.5% to 18.2% .

At the UN Climate Change talks in Copenhagen in 2009 ALBA condemned those countries trying to impose a non-legally binding treaty with ineffective omission reduction targets and called for an alternative to capitalism, an alternative based on 'solidarity not competition, a system based on harmony with Mother Earth that does not plunder human resources'.

“ ALBA is about innovation, putting ideas into practice within a politically and socially, clear model for the poor and the disadvantaged. When I listen to the debates around the bailouts of the banks in the European Union, “what are we going to do with Italy, Spain and Greece, these countries that are bringing the whole European Union down?” It's all about economics, whereas ALBA works within a framework which talks about solidarity and social development. I think ALBA is going to provide an alternative for us in the western world. From what I can see we are pretty lost, we haven't really got any ideas of where we are going. ”

Nick Hoskyns
from London who works for a Nicaraguan based ALBA company called ALBANISA



THOMAS MUHR

80,000 Nicaraguans have had free eye operations as part of the ALBA funded Operation Miracle

**Nicaragua
Solidarity
Campaign**

www.nicaraguasc.org.uk

Telephone **020 7561 4836**

email nsc@nicaraguasc.org.uk

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Solidarity Campaign (NSC)
86 Durham Road
London N7 7DT