Seeking Cooperative Values in International Cooperation: The Case of ALBA in the Caribbean

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ABSTRACT

Over the past decades, cooperative values have increasingly been formally adopted by an array of social enterprise, nongovernmental, and non-profit organizations concerned with social justice and collective action but not traditionally considered “cooperatives.” While this has received growing recognition, less has been said about the ways in which cooperative ideals have also become increasingly prevalent in the realm of international cooperation, especially in the Global South. One lead organization in this movement has been ALBA, whose eight member countries have signed a range of agreements devoted to cooperative trade and development initiatives at the state level, as well as officially promoting fair trade, social enterprises, social movements, cooperatives, and local businesses. This presentation will examine ALBA projects in the Eastern Caribbean and reflect on its strengths and weaknesses for promoting new patterns of economic cooperation.

Over the past decades, cooperative values have increasingly been adopted by an array of social enterprise, nongovernmental, and non-profit organizations concerned with social justice and collective action but not traditionally considered "cooperatives." While this has received growing recognition, less has been said about the ways in which cooperative ideals have also become prevalent in the realm of international relations between states, especially in the Global South. This neglect stems in part from the local-level, social enterprise, or non-state focus of much current cooperative work, which tends to view relations between states as generally outside of or at odds with genuine cooperative relations between people and communities. And yet, the political economic relations forged between states play a heavily determining role on the ability of cooperative enterprises to survive and thrive locally and globally, making it of great significance the question as to whether or not states in the era of "free trade" can be made to act in a manner supportive of cooperative goals and ideals. In recent years, one lead organization that has sought to do this has been the Bolivarian Alliance for the Peoples of Our America (ALBA) which, according to economist Martin Hart-Landsberg (2012, 15), "At present … offers the most promising, if not the only meaningful, attempt at cooperative development anywhere in the world."

With specific reference to projects in the Eastern Caribbean, this paper will examine the prospects of effective cooperative development within ALBA, whose eight member countries have signed a range of agreements designed to promote alternative patterns of political and economic cooperation between member states and national enterprises. The notion of "cooperative development" is taken here as an alternative to the dominant form of international economic cooperation today, devoted to facilitating neoliberal social and economic policies centered on cuts to public spending, the privatization of public assets, and the removal of regulations limiting the flow of investment capital, currency exchanges, and trade. The decades following the Second World War were characterized by national and international capital controls and, despite the overarching goal of trade liberalization, a variety of international market mechanisms to protect poor farmers and workers in the South from the vagaries of the international market, including such things as supply management, price stabilization schemes, and international commodity agreements. Since the 1980s, these regulatory schemes have fallen out of favour and national and international governing bodies have turned increasingly away from policies of social regulation and toward a new international consensus centered on “free trade.” In this context, international economic cooperation has taken place most frequently within the confines of World Trade Organization (WTO) negotiations and tribunals, and through bilateral Free Trade Agreements (FTAs) in which “reciprocal” market liberalization is required from all parties, rich and poor, with international cooperation from richer countries contingent on poorer ones lowering trade barriers and complying with WTO rules (Jones 2010; Orbie 2007; Robbins 2003; Brown 2000). ALBA, in contrast, seeks to promote cooperative ideals and relationships, including, of particular importance for the Eastern Caribbean, the ideals of solidarity and non-reciprocity between asymmetrical partners, an important alternative vision to the dominant free trade paradigm that has devastated key economic sectors of the region over the past two decades.

Cooperatives without Cooperative Development in the Caribbean

While multilateral negotiations at the WTO over the past decade have stalled over intense disagreement between wealthy and developing nations regarding protectionist barriers, intellectual property rights, and unfair Northern agricultural export subsidies, powerful countries have continued to push “free trade” and “reciprocity” on weaker states by pressuring them to adopt bilateral or regional FTAs with WTO approval. Despite much rhetoric around “free trade,” however, FTAs have been criticized for being ineffective at evenly eliminating trade barriers while containing extensive, non-trade components around intellectual property, services, and investment rights that seek to protect the interests of transnational corporations while limiting the ability of states to act on key social, environmental, and labour issues (Grinspun and Mills 2012; Bhagwati 2008; Clarkson 2003; Gill 1995). The politics of “free trade” has seldom led to free trade results, something that has been recognized by renowned economists from highly divergent political perspectives. These economists have denounced the lack of genuine multilateral nondiscriminatory trade liberalization and held “ideology” and “politics” responsible for leading to policies that are inconsistent with economic trade theory (Bhagwati 2008; Stiglitz 2002). Beyond this, economists have generally preferred to exclude ideology and politics from their research.

Politics and ideology, however, are central to human life and cannot be separated from the economic realm. Politically, states and global institutions do not just respond to market failure, but are cut through by social conflict and often seek to present political and economic elite interests as disinterested technical matters (Milonakis and Fine 2009; Goldman 2006; Gill 1995). Ideologically, Jodi Dean (2009), drawing on the work of cultural theorist Slavoj Žižek, has developed the idea of the "free trade fantasy." This fantasy is reproduced through the efforts of various foundations and commentators and is embedded in our everyday practices. The free trade fantasy tells us how to satisfy our desires—through free trade—but also explains why our desires have not yet been fulfilled despite our devotion, serving what Dean (2009, 58) calls "the 'excuses, excuses' role of fantasy." Free trade is best understood not solely as a technical, scientific, or policy issue, but as an intricate political, economic, and ideological "package" rooted in complex social, historical, and cultural forces.[i]

Within this context, much of the impetus behind the relentless push toward FTAs has less to do with a genuine freeing of trade than it does with prying open Southern economies in the context of declining profit rates and accumulation opportunities for Northern-based capital that, in turn, have aggressively sought out new markets, investments, and sources of cheap labour and resources. As David Harvey (2003) has observed, Northern-based capital has put increasing demands on powerful capitalist states to create the conditions for "spatio-temporal" fixes (new markets, investment opportunities, and source of cheap labour and resources abroad), often through direct political coercion to preserve asymmetrical relations between rich and poor states and force open and privatize previously underexploited or commonly-held resources through a process of "accumulation by dispossession" (McNally 2006; Wood 2005; Harvey 2003; Gowan 1999).

One of the most notable regional FTAs to emerge in recent years has been the EU-Caribbean Economic Partnership Agreement (EPA), signed in 2008 between the EU and 15 Caribbean nations as a replacement of previous preferential trade arrangements. The previous arrangements were part of a larger package of preferences offered to all members of the African Caribbean and Pacific (ACP) Group of countries, originally under the framework of the Lomé Conventions from 1974 to 1999, followed by the Conotou Agreements since 2000, and applied to dozens of ACP exports entering the EU market, including such things as rum, beef, bananas, sugar, rice and mining products. Such a "cosy regime," stated by the *Economist* around the time of the signing of the new EPA, has been deemed at odds with the free trade goals of the WTO, which "frowns on such favouritism." With this "legacy of empire" removed, the door has been opened to a new trade relationship between the EU and the Caribbean "based on 'reciprocity' not dependency".[ii]

Critics of the EPA agreement have been far less sanguine about the new relationship, pointing out that the Caribbean already receives duty-free access for nearly all of its major exports to the EU and is unlikely to attain significant benefits from the EPA. The region is, however, likely to be negatively impacted by removing its duties on European goods, eliminating an important source of revenue and exposing Caribbean industries to fierce competition from more economically advanced European industries. In addition, the process through which the proposed EPA has been negotiated has generally lacked full public disclosure and consultation within the Caribbean, regardless of the fact that the agreement effectively locks the region into a legally binding arrangement with significant long-term developmental impacts. The EPA calls for the elimination of tariffs on 82.7 per cent of European imports into the Caribbean, while European markets would be opened to Caribbean services but only under highly restricted conditions. In terms of the free flow of people, the EU has made no commitment to loosen its tight visa restrictions on Caribbean citizens, which gives significant advantage to European business people and workers who generally face relaxed visa requirements for entering Caribbean nations due to the needs of the tourist industry.[iii]

Moreover, the EU has demanded that Caribbean states not only adopt the basic commitments required for WTO compatibility, but that they also adopt "WTO-plus" commitments. These "plus" commitments entail provisions in services, intellectual property, competition, public procurement, and investment that go beyond that which countries have agreed upon in multilateral forums, and are often foisted on poorer countries through bilateral trade negotiations between highly unequal partners.[iv] [nod to conditioning frameworks] This was certainly no secret for Caribbean government officials, many of who agreed to the EPA under intense duress from the EU, which threatened to impose new duties on Caribbean imports. According to SVG Prime Minister Ralph Gonsalves, negotiations for the EPA took place with "a veritable gun to our heads."[v]

The EPA agreement is not the first attempt to transition the Caribbean from a relationship of preference to one of reciprocity with the EU, but in fact comes on the heels of decades of free trade reforms under the aegis of the WTO, and the previous GATT. One of the most well known and contentious issues to emerge out of this transition has been the “banana war,” involving a series of disputes launched by the United States, with significant influence exerted by the US-based banana giant Chiquita, and Latin American banana exporting nations against the preferential treatment for ACP bananas imported into the EU market. Particularly notable within this dispute was the long-standing agreement between the UK and the Eastern Caribbean, which preceded the wider Lomé Conventions by decades and became part of it in the 1970s, and entailed a quota system that reserved the bulk of the UK market for bananas exported from its current and former colonies. Under the terms of this agreement, a relatively sustainable and socially efficient banana industry emerged and grew among the Windward Island nations of Dominica, Saint Lucia, and St. Vincent and the Grenadines (SVG), whose banana exports more than doubled from 1960 to 1990, providing around 50 per cent of all export earnings and, directly or indirectly, one-third of all employment.[vi]

The banana industry that developed in the Windward Islands has been quite distinct from those of the world’s largest banana exporters in Latin America. The majority of bananas exported from Latin America are produced on large-scale banana plantations, which can be upwards of 5,000 hectares in size, through technology-intensive methods (agriculture machinery, chemical fertilizers, and extensive irrigation) with a low-waged labour force working under highly exploitative conditions. In contrast, the industry in the Windward Islands is based on labour-intensive methods on small family plots with the majority averaging less than five hectares. Farm labourers work less hours per day and can be paid nearly three times as much as banana workers in Latin America. Combined with rugged terrain located within the hurricane belt and comparatively shallow soil with less mineral content, the Windward Islands banana industry has generally been less productive and more costly than the Latin American industry, even while the former has provided much better working and living conditions.[vii]

The growth and survival of the unique Windward Islands' banana industry required the protection of the EU-Caribbean banana agreement, which had been decimated by free trade reforms for a decade and a half prior to the EPA. Beginning with reforms ushered in by the signing of the Single European Act in 1993 and followed by major challenges to the banana agreement by the World Trade Organization (WTO) and its member states in 1997 and 1999, both of which ruled that the agreement violated the principle of "non-discrimination," the quota protections were gradually weakened and eventually eliminated in 2006.[viii] The last tool left to protect Caribbean farmers is different overall import duties for ACP and non-ACP producers. In 2009, however, under pressure from the US and Latin America, the EU agreed to lower the import duty on Latin American bananas from 176 euros per tonne to 148 euros per tonne in 2010, followed by a further reduction to 114 euros by 2017.[ix] In the final analysis, the EU's declining support for preferential trade with the Caribbean would appear to have been driven less by perceived accumulation opportunities for European capital in the Caribbean—which do exist—than by the ways in which the agreement hindered much larger opportunities in Latin American and distracted EU trade negotiators from bigger priorities with Asian economies.[x]

The reduction of preferential treatment has all but destroyed the Windward Island's banana industry. From 1992 to 2009, the number of active banana farmers in the Windward Islands decline from 27,000 to 4,000—an astonishing drop of 85 percent.[xi] The remaining farmers have received support from their growing involvement in fair trade certification. As state managed marketing boards have declined or been eliminated, farmers have organized themselves into cooperative processing and marketing organizations under the regional fair trade organization, the Windward Islands Farmers' Association (WINFA). Fair trade has provided banana farmers with higher price and more stable prices and social premiums for constructing community infrastructure in exchange for meeting a series of social and environmental standards. WINFA has also served as an important lobbying organisation for small farmers.[xii]

At the same time, fair trade certification has not been able fill the vacuum left behind by the decline of the preferential agreement. The fair trade price paid to members has not kept with up the rising costs of living and farm inputs, and the size of the fair trade market cannot match the old protected banana market—while 90 per cent of banana exports from the Windward Islands are certified fair trade, this has occurred only after the number of active farmers has dropped by 85 per cent since the 1990s. Moreover, unlike the preferential banana agreement, fair trade is also premised on reciprocity: producers must meet a series of social and environmental standards in order to gain the support of Northern consumers. While these standards are generally desirable, they also impose extra burdens on small farmers that they are not fully compensated for—many farmers have expressed concern over the restrictions on pesticide use, which requires extra labour for weeding and negatively affects banana productivity.[xiii]

It was within the context of the decline of the banana and other key industries that the WTO and the EU began to vigorously promote the EPA, offering more free trade as the solution to the negative effects of free trade. The EPA is said to spark competition and offer greater market access to the EU, enhancing the ability of Caribbean nations to develop new comparative advantages, thus far to no avail. The Windward Islands simply do not posses an "absolute advantage" upon which to grow any tropical crops more efficiently than giant plantations in Latin America and the tourism industry can only grow so much and generate so much employment.[xiv] Consequently, the islands have not experienced dynamic free trade-led growth, but rather high rates of unemployment (St. Lucia's unemployment rate increased from 7.1 per cent in 1991 to 21 per cent in 2004) and outward migration (SVG's net migration rate ranked 176 out of 180 countries in 2009).[xv] They have also experienced growing debt crises involving both increasing personal debt, in response to declining incomes and purchasing power, and public debt, as cash-strapped governments turn to debt to make up for shortfalls in taxation and tariff revenues (Rose and Mathiason 2010; Robinson 2008). Debt crises have been intensified by an increase in official development loans from EU members which, observes Jan Orbie (2007, 308), have turned increasingly to "aid for trade" payments "as side-payments to legitimize an essentially neo-liberal trade agenda." The EU has put on offer tens of millions of dollars in development aid to Caribbean states, including a one-time compensation package of 190 million euros to ten ACP banana exporters for the period 2010-13. Significantly, these funds must be applied to activities that ensure EPA implementation and facilitate liberalization (Sanders 2011).

Despite aid offerings, given the major impact of the decline of preferential trade, a great many representatives of Caribbean government, labour and farmer groups, and civil society organizations have never really bought in to the EPA, resisting or delaying it from the very start. By the fall of 2012, eight of the 15 Caribbean countries that had signed the EPA had still not implemented the promised tariff cuts on EU goods. As a result, the EU has been compelled toward more aggressive action, threatening to take Caribbean countries to expensive arbitration proceedings under the EPA if they do not follow through to their commitments (Sanders 2012). The increasingly tough stance taken by the EU around EPA commitments, and the nature of the EPA itself, represents a significant shift in EU-Caribbean relations, from one based on a degree of cooperative development to one based on a neoliberal form of international cooperation devoted to and contingent on accepting the dominant framework of "free trade." This has involved the virtual abandonment of the concept of "special and differential treatment," even while the EU has insisted that this is not the case. In its place has emerged the goal of "reciprocity" and the denial of the extreme difficulty, if not impossibility, of attaining genuine reciprocity between immensely different partners with vastly different levels of economic development. The on-the-ground impact of this shift has been devastating throughout the Caribbean, especially among the smallest and most vulnerable economies. In the once-thriving banana industry, the emergence of cooperative processing and marketing associations for farmers has not been able to counter the impact of these trends; the growth of cooperative organizations has been accompanied by the decline of cooperative development that sets the broader context under which cooperatives ultimately must sink or swim.

ALBA and Cooperative Development

While the EU has gradually watered down its commitment to more cooperative development in the Caribbean, other options have been pursued by Caribbean nations with greater intensity each year, often emerging out of new or expanding South-South social, economic, cultural, and political linkages. Perhaps the most novel of these options have come from the Bolivarian Alliance for the Peoples of Our America (ALBA), first launched in 2004 by Venezuela and Cuba and since expanding to include eight members—among them Antigua and Barbuda, Dominica, and SVG—as well as PetroCaribe, a Venezuelan-driven alliance launched in 2005 through which oil is sold to 18 Caribbean nations under preferential credit and low interest-rate loans. Both projects are framed as alternatives to the free trade package, offering in place of deregulation, liberalization, and the illusive quest for "reciprocity," a regional integration scheme premised on concessional financing, social cooperation in meeting basic needs like health and education, and explicit recognition of the necessity of non-reciprocal trading arrangements between asymmetrical partners (Girvan 2010; Kellogg 2007).

The emergence of ALBA/PetroCaribe, notes Norman Girvan (2010, 218), has been part of a larger "process marked by a relative decline in U.S. power and the emergence of new geo-economic poles of influence." The rising power of China and India, as well as the entire Asian region, has been particularly noteworthy, as have other changing regional dynamics. In Latin America, Brazil and Venezuela have increasingly taken on leadership roles in the region, promoting Southern cooperation and Southern-controlled institutions that have begun to eclipse the traditional hegemonic dominance of the United States, the World Bank, and the IMF. This includes the ongoing efforts to develop the Union of South American Nations (UNASUR) into an EU-style custom's union, which became a legal entity with twelve members in 2011, and the establishment of a regional development Bank of the South (BancoSur) in 2009 composed entirely of Latin American members, as well as ALBA, PetroCaribe and numerous other regional and South-South initiatives with diverse and wide-ranging objectives (Girvan 2010; Kellogg 2007).

For its part, ALBA has been designed from the start as a conscious alternative to the now-aborted US-backed proposal for a Free Trade Agreement of the Americas (FTAA, the Spanish acronym of which is ALCA). Whereas ALCA proposed the further integration of Latin America into the global economy through deregulation, privatization, and liberalization, ALBA proposes a socially-oriented regional trade bloc where wealth would be redistributed to poorer countries through a special compensatory fund and social issues such as local food sovereignty, access to generic drugs, and environmental rights would take precedence over liberalized trade. Paul Kellogg (2007, 201) in his appraisal of ALBA states, “where traditional trade deals use language like ‘comparative advantage,’ ALBA instead argues, ‘the political, social, economic and legal asymmetries of both countries have been taken into account’.”

ALBA is still in its infancy and as of 2012 its members consisted of Antigua and Barbuda, Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela, as well as two Windward Island nations: Dominica and SVG. One of the most talked about and successful projects of ALBA has been a unique agreement between Venezuela and Cuba, in which the former has traded tens of thousands of barrels of petroleum a day in exchange for the latter sending thousands of doctors and medical supplies to poor and rural communities in Venezuela, making medical services and training available to seventeen million people (Gibbs 2006; Arreaza 2004). For the Cuban government, which has an abundance of highly-trained health care professionals, this agreement has been one of many through which it has provided ALBA members and non-members free health services; currently, a reported 30,000 Cuban doctors are providing free health services throughout Latin America and the Caribbean, and 70,000 students are receiving training as health professionals. The Windward Islands have also benefitted from these initiatives with hundreds of students receiving free education and training in Cuba, and hundreds of visually impaired people having had their sight restored through free “Operation Miracle” surgeries in Cuba and Venezuela (Girvan 2010).

PetroCaribe is another major South-South initiative in which Caribbean states (18 including all four Windward Island nations) are able to purchase oil from

Venezuela through preferential credit and low-interest rate loans.[xvi] Participation in PetroCaribe is not tied to ALBA membership although both projects are driven by the same overarching political process and ideals. Both ALBA and PetroCaribe have been employed to fund a variety of social, technical, and physical infrastructure projects within the Caribbean in the form of grants and concessional loans and have become the largest source of concessional financing for the Caribbean region. Concessionary financing provided by ALBA/PetroCaribe are generally less onerous than most other concessional loans offered by international financial institutions, like the World Bank and the IMF, and are also low-conditionality, lacking the extensive demands to adhere to neoliberal "structural adjustments" typically associated with official development assistance from Northern powers—most EPA-related aid, for example, must be used to ensure EPA implementation and facilitate liberalization, regardless of domestic impacts and policy priorities (Girvan 2010).

Significantly different than most bilateral and multilateral "free trade" agreements, ALBA/Petrocaribe are non-reciprocal and contain only loose intergovernmental commitments between members. Non-reciprocity allows for "special and differential treatment" to be applied to assist weaker partners in otherwise unequal trading relations. It also allows for flexibility in developing trade agreements on a case-by-case basis taking into account specific circumstances among partners; thus, in one agreement Cuba agreed to grant duty free access and remove non-tariff barriers on Venezuelan imports, while Venezuela only agreed to remove non-tariff barriers as its hands were tied by its membership in other international institutions (Girvan 2010, 221). Connected to this, ALBA agreements generally consist of bilateral or multilateral statements of principles that do not legally bind participating countries under international treaty law. In this way, ALBA agreements generally do not conflict with other international obligations of member states, such as the commitments associated with membership in CARICOM, and contain none of the extensive commitments to liberalize trade and investment typically associated with "free trade" agreements (Girvan 2010).

Perhaps the most innovative challenges to the free trade package that has emerged out of ALBA has been the use of "in-kind" payment and assistance among members, which help vulnerable economies to avoid or dampen unequal trade and financial transactions. In terms of in-kind payments, through PetroCaribe, various Caribbean nations have arranged specific agreements with Venezuela to pay for a portion of oil imports through the export of traditional commodities like bananas, sugar, or rice—Dominica is allowed to pay for 40 percent of its oil imports through the export of bananas, reducing its need to borrow to meet its oil needs (Girvan 2010; Kellogg 2007).

In terms of in-kind assistance, a variety of specific social and economic projects are currently in progress in the region (Girvan 2010). In SVG, Venezuela and Cuba have been providing millions of dollars of in-kind assistance in the form of engineering services, heavy machinery, wind stations, and an on site laboratory, to initiate the construction of the country's first international airport, designed to promote tourism, trade, and service industries to somewhat offset the decline of the banana industry. While the majority of funds for the estimated over $840 million cost of the airport has come from grants and concessional loans from a variety of sources (including tens of millions of dollars in loans from ALBA and PetroCaribe), approximately $112 million have thus far come from grants from Venezuela and Cuba mostly in the form of in-kind assistance (Gonsalves 2012).[xvii] This sort of in-kind assistance—based on special and differentiated treatment—provides an alternative practice and vision for small and vulnerable economies to the fantasy of reciprocity being pushed by dominant states in the world economy (Girvan 2010).

In the final analysis, ALBA certainly does not free Caribbean islands from the challenges of having small and vulnerable economies, nor with having to contend with a world system dominated by much larger states and imperial powers. Engaging in non-reciprocal trade and accumulating growing external debts through projects funded by ALBA (or PetroCaribe) significantly increase the political and economic leverage of Venezuela and other ALBA members over smaller members (Girvan 2010). It would be naïve to suggest that ALBA exists purely out of good intentions and that its members are not partly driven by geostrategic interests to build and strengthen political alliances with other states. Power politics has always played a central, if unfortunate, role in shaping modern institutions, not the least of which includes free trade agreements, many of which have been adopted by elite-dominated autocratic states under intense political-economic pressure from Northern powers, the World Bank, the IMF, and the WTO (Gill 2003; Gowan 1999).

What ALBA does do is offer a radical alternative vision of how unequal relations between states can be better managed in a much more socially efficient and equitable, as well as less top-down and conflict-ridden way. First, against the core assumptions of the free trade package, ALBA insists on the necessity of non-reciprocity between asymmetrical partners, an ideal that was central to the previous preferential regime. Beyond the EU-Caribbean preferential agreement, however, ALBA is premised on the conception that non-reciprocity does not mean unequal status and smaller Caribbean nations are granted the same official status as are larger nations in determining ALBA's direction and overall orientation.

This formal equality cannot, of course, ultimately make up for real inequalities in economic and political power—a great many Caribbean scholars have long observed that only a more robust framework for regional integration among CARICOM states could significantly improve their collective weight in the international arena (Hall and Chuck-A-Sang 2010; Girvan 2010). However, it still stands as an important symbolic, ideological, and political step up from the previous banana regime, which the EU formally ran, allowing Caribbean countries only a consultative role. Whereas free traders insist that equality between nations can only be achieved by treating all nations as equal *despite* immensely different histories and political-economic power, ALBA insists that equality between nations can only be achieved by giving members *both* equal political status *and* non-reciprocal economic treatment to support smaller or more vulnerable members.

Second, several ALBA projects seek to put solidarity and cooperation ahead of competition even in areas where market dynamics themselves would otherwise impose competitive behavior. One example of this is a new ALBA coffee initiative involving Dominica and Venezuela. In 2009, the Venezuelan government shipped the components for the construction of a new coffee processing plant to the island to assist it in diversifying into coffee exports in response to the failing banana industry. In recent years, Venezuela has been placing increasing attention on promoting its own coffee growing, primarily targeting national and regional markets. Despite this, Venezuela has encouraged the coffee industry in Dominica, with the stated intention of developing join ventures, with Dominican exports intended for the rest of the Caribbean, ALBA members, and Venezuela itself.[xviii]

Thus far, the Dominican coffee project has not yet become operational as the government has yet to establish a national company to work with a Venezuelan counterpart. The island also will need to rapidly increase production. Dominica has a history of coffee growing, and is well suited for growing high quality Arabica beans, but production for export dropped significantly in the 1960s and 1970s in favour of other crops like sugar cane, vanilla, limes, and bananas. A small coffee industry has remained intact, with around 70 coffee farmers, working small plots averaging ¼ to ½ acre, providing the domestic market with about 70,000 lbs annually. To be competitive on global markets and operate the coffee processing plant to full capacity, the Dominican government estimates that production would have to increase to around 440,000 lbs. The government seeks to attain this goal by encouraging farmers with advice, materials, and inputs, including a recent investment of EC$100,00 for the propagation of seedlings. The coffee project, should it successfully go off the ground, is certainly no panacea for development, involving as it does a switch from reliance on the unstable banana market to the equally unstable coffee market. The hope, however, is that dependence on high quality coffee with a unique Dominican branding, will be a relatively more solid market for farmers compared to the failing banana market, and will also allow the island to "forward integrate" into the final stages of coffee processing, typically reserved for Northern-based roasters. From the perspective of ALBA, it offers a unique instance of cooperative behaviour being consciously applied in place of short-term market logic that would otherwise demand competition for the regional coffee market between the two highly unequal participants.[xix]

Third, ALBA reasserts the necessity and developmental benefits of social regulation and the pursuit of social efficiency, representing the expansion and further legitimization of a growing tradition within Latin America and parts of the Global South of putting human development first to attain real gains in improved health, access to education, life expectancy, and other major social indicators (Tharamangalam 2010). All forms of regional integration and cooperation are invariably built upon and designed to support specific political-economic models at the state level. In Latin America, the "old" regionalism of the 1960s and 1970s was designed to support state-led Import Substitution Industrialization (ISI), whereas the "new" regionalism of the 1990s was designed to support the withdrawal of the state from direct economic activity and the expansion of foreign investment, trade, and services under neoliberal reforms. ALBA, in contrast, is part of a new "new" regionalism designed to support a variety of emerging, diverse, and essentially social democratic models.

One such model has been that pursued by the current government in SVG, headed by Prime Minister Ralph Gonsalves, which since gaining office in 2001 has bucked advice from international financial organisations and pursued a model of "advanced social democracy," boosting public spending to combat the effects of the global economic recession and the decline of the banana industry. While high unemployment has only been somewhat diverted by job growth in construction and services, the government has made important social gains and developed welfare programs that would embarrass some wealthy Northern states in the current context of welfare state retrenchment. For example, the government has constructed over 400 low-incomes houses, distributes antiretroviral drugs free of charge to HIV patients, provides low-cost home mortgages to public employees, continues to pay wages to public employees that go on leave to attend university, and is currently establishing a universal childcare program. [xx]

Perhaps the most impressive social achievement has been the government's "Education Revolution," entailing approximately EC $1.5 billion dollars in public spending from 2001 to 2011 to dramatically boost access to education at all levels. During this time five new primary schools, nine new secondary schools, ten new Early Childhood Education Centers, and fourteen "Resource Learning Centers" were created, as well as a new national library with substantial funding from Taiwan. As a result, the government has attained universal secondary education on the island, while the number of primary school teachers with university degrees has increased from only 4 in 2001 to 500 by 2011. In 2011, the government continued to expand its education gains, initiating a "One-lap-top-per-Student" program, which has thus far distributed 15,000 laptops at a cost of $18 million (Gonsalves 2012).

ALBA is, ultimately, not responsible for social reforms such as those pursued in SVG, which are largely driven by their own internal political logic and social dynamics. In some ways, the direction flows the opposite direction, with the collective emergence of new social democratic governments in Latin America and the Caribbean giving birth to ALBA and not the other way around. What ALBA does represent is a forum for cooperative development between like-minded states with vastly different economic and political resources. For small and vulnerable countries like SVG, ALBA provides additional "policy space" to pursue alternative state projects. Former non-reciprocal partners like the EU have increasingly tied cooperation and assistance to the pursuit of free trade reforms that have achieved little more than the destruction of the banana industry, offering only continued and unwavering faith in the power of the global market to resolve the problems of unemployment, underemployment, mass migration, and lack of competitive alternatives on its own accord. Against this tide, ALBA has offered a lifeline in the form of economic, technical, and diplomatic assistance that facilitates government efforts to pursue countercyclical public spending and major investments in social and economic infrastructure in the context of a global economic recession and a real world economy offering little of the dynamic market-driven opportunities assumed to exist by free trade economists.

Conclusion

Whether or not Caribbean nations and their Southern partners can continue to expand and deepen ALBA initiatives will play a major role in determining if they can subvert the dominant free trade agenda and avoid its harshest effects. The pathways to the future, if it is to be a more socially and ecological just one, requires building on the past and improving on it in a manner that ALBA has only just begun to do. The case of fair trade banana certification in the region, which has brought important benefits but has not been able to address the overall decline of the industry and its negative social and economic impacts, reveals the limitations of pursuing cooperative models in small, highly dependent Southern economies without necessary support and coordination at the international level. Local cooperative development ultimately requires international cooperative development to make it sustainable over the long term and deal with the wider negative impacts of the global political economy that no local group can be expected to deal with. ALBA offers an important emerging model of what this new form of international development could look like and important lessons and vision for the construction of cooperative advantage in the Eastern Caribbean.

Notes

[i] This notion of free trade as a political, economic, and ideologically-charged "package" is derived from Janice Peck's (2008, 8) highly insightful exploration of

Oprah Winfrey as an ideological and cultural "package" that must be understood within the context of "larger sociohistorical and political-economic processes."

[ii] (Economist 2008)

[iii] (Sanders 2011; Brewster, Girvan, and Lewis 2008)

[iv] (Sanders 2011; Brewster, Girvan, and Lewis 2008)

[v] Prime Minister Ralph Gonsalves, interview with author, 15 July 2008, SVG.

[vi] (Fridell 2011; Myers 2004; Grossman 2003)

[vii] (Myers 2004; Grossman 2003; Andreatta 1998). Cecil Ryan (Chairman of SVBGA), interviews with author, 9 July & 31 July 2008, SVG; Lesley Grant (SVBGA Manager), interview with author, 9 July 2008, SVG.

[viii] (Clegg 2005; Myers 2004)

[ix] (Caribbean Daily News 2009)

[x] (Rose 2010)

[xi] (Fridell 2011; Myers 2004)

[xii] (Torgerson 2007). Arthur Bobb (WINFA Manager), interview with author, 15 July 2008, SVG.

[xiii] (Fridell 2011; Moberg 2005). Interviews, Bobb, Grant, Ryan, 2008.

[xiv] (Myers 2004; Andreatta 1998)

[xv] (World Bank 2012; CIA 2010). Interviews, Grant, 2008; Sylvester Vanloo (SVGBA Production Manager), 9 July 2008; and Wilberforce Emmanuel (Produce Coordinator, Lauders Agroprocessors), 14 July 2008, in SVG.

[xvi] The general nature of PetroCaribe concessional oil financing is summed up by Norman Girvan (2010, 222): "PetroCaribe finances a portion of the value of imports

of crude oil from Venezuela according to a sliding scale: above $30 per barrel, 25 per cent; at above $40, 30 per cent; above $50, 40 per cent; above $100, 50 per cent. The balance is payable over twenty five years at 2 percent, falling to 1 percent at prices above $40/bl., with a grace period for repayment of two years."

[xvii] Interviews with Gonsalves and Ryan, 2008. The estimated total of over US $840 million is based on a conversion of an official 2012 estimate of EC $652 million, converted on January 1, 2012.

[xviii] "Coffee Could be Making a big Comeback," *Dominica Central Newspaper*, 5 February 2011, [accessed 22 October 2012] at http://www.dominicacentral.com/business/coffee-could-be-making-a-big-comeback.html.

[xix] Ibid.

[xx] Interview with Gonsalves, 2008.

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