

The OAS in neoliberal times: a *requiem* to US hegemony in Latin America

The OAS' ambivalent response to the 'soft coups' that took place against Evo Morales in Bolivia (2019), Dilma Rousseff in Brazil (2016), and Fernando Lugo in Paraguay (2012), has triggered urgent questions about the limits of US inter-American relations. Many argue that the OAS is, and has always been, an imperialist organization exclusively serving US foreign policy interests. Hence, not much to look for in the OAS, other than the natural extension of US power in the region. There is some truth to this argument, as the OAS was born in 1947-1948, a time when the infamous US 'carrot theory' for Latin America reached maturity. This was the theory that sustained that by giving money (and later arms) to Latin American neighbors including dictatorships cleared the way for US corporations to dominate their markets while discouraging nationalist, socialist and communist tendencies. However, such carrot theory no longer guarantees US domination of the region. The neoliberal order the US created has paradoxically besieged US imperial power, as revealed by the continuous onset of crises domestically and globally from 1980s onwards. There is no doubt that the neoliberal forces pulling US imperial power in contradictory directions since then are the same forces engulfing the OAS in a death trap.

The 1980s: OAS' silence on the debt crisis

The debt crisis erupted in 1982, when then Mexican president Miguel de la Madrid announced the country's inability to meet its financial obligations. Such announcement was the first one in the region (following Soviet Poland and Rumania in 1981), which immediately had a domino effect in Latin America. Indeed, similar announcements by the largest economies of the region threw US and Western banks into panic between August 1982 and April 1984, suddenly demanding the US to intervene so that they could get their almost US\$ 360 billion in loans. This was the official beginnings of Latin America's debt crisis. From that moment forward, the International Monetary Fund (IMF) was going to act as representative of a cartel of US and Western banks, demanding Latin American governments to embark upon aggressive privatization schemes (known as Structural Adjustment Program, SAP) aiming at increasing exports of raw materials to pay the debt.

The OAS then took a passive stance when Latin American governments vigorously discussed SAP's negative impacts. With representatives of all nations of the Western hemisphere except for Cuba (expelled in 1962) and Canada (admitted in 1999), the OAS revealed then deep internal divisions within its member countries. Large debtor countries (Mexico, Brazil, Colombia, Peru) had different degrees of alliance to the US-led IMF plan. Small debtor countries (Caribbean countries) had the same ravages created by the debt burden, but political dilemmas of their own traditionally ignored by OAS. The OAS became totally redundant and played no meaningful role whatsoever in debt debate. It was supplanted by the **Grupo Cartagena**, an *ad hoc* group formed by Mexico (Miguel de la Madrid), Argentina (Raúl Alfonsín), Brazil (João Figueiredo) and Colombia (Belisario Betancourt), which became the leading Latin American platform for discussing the debt crisis until 1987.

The OAS' passive role paradoxically led to the rise of what a Bolivian journalist called the rise of an early 'continental consciousness' in Latin America. This consciousness was solely built by labor unions, left and progressive parties, activists and new social movements, which repudiated the financial burden imposed by the IMF and called for an authentic Latin American debate on the debt crisis. These did what the OAS was incapable of doing: they politicized the debt question, against a rising neoclassical-economics school which kept pushing the debt into the realm of technicalities and away from labor.

The OAS sponsored none of the major conferences on debt crisis in the region. In 1981, the first **Conferencia de la Clase Trabajadora** took place in Brazil, organized by newly formed **Partido dos Trabalhadores** (PT) and from which Brazil's **Central Única de Trabalhadores** (CUT) was born. The CUT was the first labor union in the entire Western Hemisphere calling for a boycott against IMF's intervention in Latin America. It demanded debt cancellation, and all while the OAS remained silent. While OAS turned its back to the most urgent inter-American debate of the times, the **Universidad de los Trabajadores** in Venezuela put together a conference on Latin America's foreign debt and the implications for the region. In 1985 in Uruguay, a massive meeting by labor unions

joined by organizations from Cuba, Paraguay, Argentina, Brazil and other countries, discussed the problem of the debt and proposed paths to solve the crisis. The commanding presence of Cuba in the debt debate called the attention of the OAS, as it boycotted the famous 1985 **First Conference of Latin America and the Caribbean on Foreign Debt and Development** held at Havana, Cuba. Approximately 1,200 delegates including guerrilla leaders from El Salvador and Guatemala, the brilliant Marxist economist Michael Manley (Prime Minister of Jamaica), the then metallurgical union leader Lula da Silva, and left Catholic bishops Méndez Arceo (Mexico) and López de Lama (Bolivia) proposed concrete, feasible solutions to the debt crisis. The memorable reaction by OAS to the 1985 First Conference came when its Secretary General received information about Fidel Castro's closing speech. Fidel Castro said that 12% of the military budget of Western nations and Warsaw Pact member countries was enough to alleviate Latin America's debt burden. The OAS replied that "each country must seek by itself the best way to relate to the changing global markets".

Other events in this decade showed OAS's incapacity to serve Latin American interests when these clashed with US interests. The civil war in Guatemala that followed after the 1954 coup (and which lasted more than three decades), exposed the OAS's subordinate role to US foreign policy. Not only the OAS failed to condemn the US-led coup against Jacobo Árbenz back in 1954, but it failed to be the mediating force in the agreements that ended the conflict in 1968-1987. The **Grupo Contadora**, and not the OAS, forged an agreeable solution to the civil war by the end of the 1980s. Named after the Panamanian island in which the first meeting was held, Grupo Contadora was constituted by Panama, Venezuela, Mexico and Colombia. The OAS headed by Brazilian lawyer João Clemente Baenas limited itself to encouraging Central American nations to abide by the Grupo Contadora agreements. When the **Falkland Islands** war exploded in 1982, the OAS once again revealed it was incapable of acting on behalf of the interests of one its members, Argentina. It refused to recognize Argentina's sovereign claim to the archipelago (a stance it has maintained to this day). Rather, the OAS has consistently called for the governments of Argentina and the UK to solve what it has labeled as "sovereignty dispute".

Moreover, the OAS supported the US-led 'war against drugs' in Bolivia's and Colombia's coca cultivation regions known as **Operation Blast Furnace** (under Regan), **Andean Initiative** (under Bush father) and **Colombia Plan** (under Bush son). It paid lip service to US militarization of Cochabamba, Bolivia, a policy that had disastrous consequences in the agrarian economy of the region, leading to the rise of *cocaleros'* Political Instrument (the backbone of Bolivia's MAS party, Movement Towards Socialism). The OAS produced no resolution against the US sales of arms to right-wing government of Carlos Mesa in Bolivia in 2003-2005. It produced no resolution condemning the 'selective genocide' of *campesinos* and activists in the agrarian regions of Cauca, Caquetá, and Putumayo in southern Colombia. Surely, the Initiative required securing an alliance with the governments of Virgilio Barco (1986-1990) and César Gaviria (1990-1994). No doubt, such alliance paid off, as Gaviria became OAS's Secretary General in 1994-2004, giving the OAS an 'Andean flair' throughout the 1990s.

The 1990s: the OAS caught off guard by Latin America's open regionalism

The new decade exacerbated the contradictions of US hegemony in the region. It is true that since 1986, US exports to the region grew three times faster than exports to the rest of the world, according analysts. US presidents Bush (father) and Clinton still saw Latin America as the largest export market for the US. But Latin America's export-country role was to be re-built through the OAS. Soon, the US plan backfired. Everything started when President Bush father launched the **Initiative of the Americas**. A precursor to the proposal for the Free Trade Agreement of the Americas (FTAA, defeated at Mar Del Plata in 2005, as described below), the Initiative of the Americas was a proposal for hemispheric-wide trade integration. The goal was to give US corporations the largest export and consumer markets in the Western Hemisphere, at a time when US capital was experiencing falling rates of profits (induced by rising Asian competition). The Initiative of the Americas linked US's expansion with neoliberal reforms launched in this same decade and known as the **Washington Consensus**. The US goal was to use the OAS in achieving the pre-conditions for the success of both goals. The OAS was expected to advocate

for open and liberal globalization, as it did, and prepare the way for political reforms needed for the success of the new neoliberal wave.

The OAS took its mandate very seriously under President Clinton. US foreign policy then advocated for 'democratic' reforms in areas of "corruption, money laundering, and migration". However, the OAS soon discovered that Latin America was experiencing dramatic political transformations, leaving US's goals in a difficult situation. First, there were new regional integration agreements that excluded the US, especially the today's somewhat controversial **MERCOSUR** (South American Common Market). Born in 1992, MERCOSUR was a market integration agreement among Argentina, Brazil, Paraguay and Uruguay, and later included Bolivia and Chile, and much later, Venezuela. It aimed at taking advantage of trade and investment relations already in place in these countries. Even if it soon encountered problems inherent to the uneven levels of industrialization of its member countries, it was still a superior proposal when compared to what Bush and Clinton sold through the OAS. Moreover, unlike the US-dominated NAFTA and the bureaucratized European Union (both created in these same years), MERCOSUR's strength relied upon presidential collaboration and an increasing transcontinental labor dialogue. Second, the new, 'open regionalism' served as platform for deepening transnational labor solidarity. MERCOSUR was the first market integration agreement in which labor unions and organizations gained institutional visibility, participating directly (albeit not always successfully) in high-level market talks. **Central de Trabajadores de la Argentina** (CTA) openly called for other labor unions to give "nationalist support" to MERCOSUR, against the OAS-sponsored free trade agreement. The CTA continues to play a pivotal role in forging anti-imperialist transnational solidarities. The **Coordinadora de Centrales Sindicales del Cono Sur** (CCSCS) also played a pioneering role favoring Latin America's regionalism, took the lead in the campaign against US-led agreement, learning from its experience withing MERCOSUR.

The OAS turned a blind eye to open regionalism, while enthusiastically endorsing US's proposal for a free trade agreement. In 1994, it sponsored a **Summit of the Americas**; for the first time, all presidents of the Western Hemisphere (except Cuba) met at the Summit held in Miami. The OAS declared then the goal was to cooperate in "building democratic institutions" needed for free and open market economies. The Summit was a fiasco, as the US proposal for the Initiative of the Americas gained no firm support. After this failure, President Clinton rushed to Brazil, Venezuela, Argentina, and Mexico, seeking support for the proposal (and despite labor opposition at home). In Brazil, President Cardoso replied that MERCOSUR was Brazil's priority. In Venezuela, Clinton emphasized the importance of the country's oil exports to the US market. In Argentina, Clinton promised to grant Argentina the status of "non-military ally outside NATO", in exchange for a free trade agreement. Mexico, US's ally in OAS, needed a bit extra in exchange, and the US promised money and resources in areas involving drug trafficking, money laundering and migration.

The OAS called for a second Summit of the Americas in 1998 in Chile. Myopically insisting upon a free-trade agreement with the US, the OAS failed to take a firm, anti-US stance in the real political problem of the region: the rise of *democracias contra-insurgentes* (Fujimori in Peru), *democracias conservadoras* (Carlos Andrés Pérez in Venezuela), and *democracias neoliberales* (Salinas de Gortari in Mexico, and the neoliberal alliance by *Concertación* in Chile). The decade had opened with the OAS turning a blind eye to the US invasion of Panama in 1989 and paving the way for the US to take care of the 1991 coup against Jean-Bertrand Aristide in Haiti (who curiously paid for one the most expensive lobbying campaigns in Washington DC in this period while befriendng the Clintons). The decade ended with OAS's deafening silence on the disastrous effects of "Washington Consensus" reforms in Latin America. The coming decade found the OAS drowning in a legitimacy crisis with few chances to stay afloat.

The 2000s: OAS's pretense to multilateralism finally defeated

In 1999, Hugo Chávez became president of Venezuela; Lula da Silva that of Brazil in 2002; and Néstor Kirchner that of Argentina in 2003. Tabaré Vázquez came to power in Uruguay in 2004; Evo Morales in Bolivia in 2006; and Daniel Ortega in Nicaragua and Rafael Correa in Ecuador a year later. In 2008,

the *obispo de los pobres*, Catholic bishop Fernando Lugo came to power in Paraguay, ending six decades of ruling by the right-wing *latifundista* Partido Colorado. The 'great mole' was rising, destined to deliver a mortal blow to the OAS. In the next Summit of the Americas held at Quebec in 2001, Venezuela challenged the OAS to adopt the principle of "participatory democracy" instead of the US concept of "representative democracy". Rejecting the Western liberalism theory embedded in such concept, Venezuela argued that the OAS needed to radicalize its view of "democratic change". Participatory democracy emphasized collective rights, against the ideology of aggressive individualism promoted by the US. The OAS to this day has not changed its Charter as to adopt the Bolivarian concept of "participatory democracy". As it has made no official statement yet supporting the continental **Forum of Indigenous Nations and Labor Unions** held in Cochabamba in December 2020, and in which participants called for the OAS to recognize Latin America as **América Latina Plurinacional**.

The OAS failed to foresee the power of the Venezuelan critique, which opened an authentic continental debate about US neoliberal goals through 'multilateral' organizations. Venezuela's critique resonated with struggles, mobilizations and demands by labor unions, activists, left parties, and social movements in the region and beyond. The evidence lies in the massive manifestation against the next OAS-sponsored Summit of the Americas in Mar del Plata (Argentina) in 2005. What came to be known as **Cumbre de los Pueblos** became the largest, hemispheric-wide concentration of labor unions, activists, indigenous and *campesino* organizations against the US's FTAA proposal. The demand by the Cumbre de los Pueblos against US-led agreement, along with the exceptional leadership of Chávez, Lula da Silva, Kirchner, and others, defeated US's plan for the FTAA.

The US, imbued in the dangerous idiosyncrasy of self-righteousness, ignored that Latin American economies were reorienting from within towards deepening regionalism. It ignored that such regionalism is successfully branching out towards China, in relations that are still in the making. The **Unión Sudamericana de Naciones** (UNASUR), created in 2006, became an ambitious integration project aiming at consolidation of a "South American citizenship". Among its most important achievements is the investment in road-building projects connecting Andean countries ('the backbone of South America') to Brazil, Venezuela and Guyana. UNASUR gave birth to the famous TV station **TeleSur**, which has redefined the nature and reach of political communication in the Global South and still has some way to go (as Bolivia currently does not receive the signal). UNASUR also created the **Banco del Sur**, an institution aimed at providing financial support to development projects implemented by **Alianza Bolivariana para lo Pueblos de Nuestra América** (best known as ALBA). In 2010, Latin American countries created the **Comunidad de Estados Latinoamericanos y Caribeños** (CELAC), a political organization competing against the OAS, which excluded the US and Canada. In its first and second meetings held in Santiago, Chile, and Havana, CELAC made a commitment to deepening Latin American-China relations. The US continues to call on its OAS allies to boycott CELAC, with a relentless campaign by the Department of State against CELAC's cooperation agreements with China.

Turning its back to this new reality, the OAS sponsored additional Summits in Puerto España (2009), Cartagena (2012), Panamá (2015) and Lima (2019). However, OAS summits have made it more difficult for the US to build meaningful and sustainable alliances. The 2012 Summit had no closing declaration, as disagreements prevailed over Cuba, the Falkland Islands, and the US "war against drugs." The Summit at Panama left no doubt about the deepening schism within the OAS between the US and its few allies, and the rest of the Americas, as Cuba attended the meeting for the first time (after years of pressure by Latin American countries). Last year's Summit was another OAS fiasco, as many Latin American countries boycotted its right-wing agenda in favor of US sanctions against. Each Summit failure has indeed defeated OAS's pretense of multilateralism.

Can the OAS be saved from its death trap?

Hardly. The US can no longer use the carrot theory that allowed it to build a hegemonic project in the Western Hemisphere between 1940s and 1970s. As the US is forced to confront the neoliberal contradictions it created, the OAS finds itself denuded from any cohesive politico-ideological instrument

that could justify its existence. To this day, the OAS maintains sepulchral silence on the urgent questions of debt forgiveness, the crisis of the neoliberal model, and the rise of South-South economic cooperation. It has remained inert, at best, when confronted with pressing and timely questions of Latin American development.

Certainly, the call for the resignation of OAS Secretary General Luis Almagro, accomplice of the 2019 coup against Evo Morales in Bolivia, is a campaign that labor unions worldwide must join. The change that truly matters is already in the making, as US hegemony in Latin America is increasingly under assault by new forms of transcontinental solidarity. Progressive governments in Bolivia, Argentina, Venezuela, and even Mexico, among others, are already promoting a new kind of inter-American dialogue in which CELAC, and a potentially revived MERCOSUR and UNASUR, will play central roles. Despite the few setbacks of this new dialogue, one thing is clear: the Latin American *requiem* to the OAS has just begun.