

# **LATIN AMERICA - The Need for a Sustainable Economy to Escape Underdevelopment**

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June 25th 2014 - We find it important to understand the new geopolitical reality in Latin America, immersed in a new level of history. In our previous article (not translated on this website) we spoke of the integration as an inherent reality to the changes in the region, where a new reality permits a unity in diversity, a political phenomenon that has allowed the isolation of the conflicts between nations, tripping up the plants of the US to try to intervene in the internal problems of these "Latin Nations." In this new installment we will seek to analyze the new economic reality in this diverse policy, where we organized economic integration as ALBA, MERCOSUR; Alianza del Pacifico, like other experiences, coexisted in the Latin America experience, searching for a situation with no borders in its commercial exchanges. It also helps to note that there are nations that entered into Free Trade Agreements.

But despite this connection with the US, the distinct visions have been made of a different reality, betting on an alternative exit strategy to the neoliberal capitalist world, although the majority of Latin America nations conceive integration with the entrepreneurs making progressive models while living below the market standards. These concepts of a mixed economic model between social, federal or communal businesses with the private sector that point to a nationalist exit, because there are average operations, or businesses of average production, before this new Latin American reality, transnational capital is opposed, like the businesses of capital import or export in their own countries.

This new economic reality creates important contradictions in the emerging countries of Latin America, that try to create a new national and continental reality, to face the asymmetry that MERCOSUR has generated, between countries like Brazil and its lesser peers Uruguay and Paraguay, that often suffer the protectionism of this southern giant, left with their own products that aren't exported (such as rice, grains and soy) because they compete with the Brazilian products. Due to this reality, the agreements and their clauses should be revised so that the lesser developed countries in the region can turn a profit in a real trade market, where there are fair prices and contracts that should be fulfilled by each party, whether it is MERCOSUR, ALBA or Petrocaribe, among many. A microeconomic equilibrium should be established in all Latin America, as to reach sustainability in the continent.

## **The rights in Latin America bet on neoliberalism**

But the new reality of our nations is not exempt from danger. Today there are enemies of the Latin American integration, looking to destabilize the neighboring countries. The recent triumph of Juan Manuel Santos as president, calmed the forces of Barack Obama's office to create regional destabilization, with Alvaro Uribe as a principal conspirator and with the possible election of his acolyte fascist Oscar Zuloaga, that if he didn't win the office counted on a confrontation with Venezuela, because according to them there was a lack of democratic rights. But everyone knows that this group, which supports paramilitarism and receives funds from the drug cartels, is part of a continental strategy against the development of emerging countries.

The creation of the Alianza del Pacifico and NAFTA, are a living example of a disastrous relationship of asymmetries. With the Mexican economy already broken up by the penetration of the big US corporations, which have outsourced cheap labor for their companies like Ford and Chevrolet, that made their conversion from Detroit to Mexico City a ghost metropolis (recalling the ghost cities of the western United

States) and provoked a serious humane crisis for its inhabitants, like the new collateral effect of savage capitalism.

This culture of depredation has been part of history, but if we look at the presence of international corporations, the reason is because of the Latin American nations, we see that it is because these businesses are free from tax. They are exempt from any federal payment. Thus when we analyze statements from the president of Mexico Enrique Peña Nieto, who has emphasized in a recent speech that "the country's industrial development has grown by 30%", what he doesn't divulge is that his nation doesn't receive profits from that, or that the minimum wage of a manual laborer is less than one dollar per hour. Beyond this he hides Mexico, now and for the last twenty years, produces less than half of full capacity.

## **The need of a sustainable economy to exit underdevelopment**

We have tried to analyze several aspects of our new reality in Latin America, but the great challenge is how our region should become sustainable development model, since the majority of the countries deal in only one product. No diversity exists in agricultural production in our region's fields. Yet even so, there is a new, devastating effect assaults producers, who have had to dedicate themselves to genetic farming. Incited in part by our states, which have given free passage to companies like Monsanto, which specializes in defoliants, agri-toxins, and chemical weapons used in several wars in Asia.

This is despite dozens of complaints, with thousands of tests showing the devastating effects on the environment, along with all the consequences of an earth decimated by its products, left with thousands of destroyed hectares and deserted land. Nevertheless, these signs have been observed by several nations, such as Uruguay, Brazil, Paraguay and others, which have thousands of hectares, now owned by Soya Genetics, not dedicated to human consumption, unless it's exported to China, to raise pigs which are destined to have serious genetic side-effects and while also endangering the health of the consumer.

Faced with these new obstacles in Latin America, it's urgently necessary to create a sustainable economy. Because of our dependence on market structure, and treaties between nations, we are separated from creating and fortifying our very own exit in terms of nourishment.

We accept to transform ourselves into capital export countries and importers of food. Our countries were huge producers of grains, coffee, meat, fruits, vegetables, etc. Yet we have forgotten the agricultural character of the Andes countries and today we have to buy food before we can produce it. We have modified our economies due the industrialized countries and their international norms.

In the face of this divergent reality we appeal to relaunch our economies, testing new methods of integration, new forms of marketing, all the while seeking regional unity. Each country should elevate its agricultural production, kickstart the development of our natural reserves and fight to create a true common market. We should create Latin American unity, because the efforts cannot remain of individuals, but there needs to be mechanisms of trade, fair agreements to attain widespread economic development. Today our nations have the capacity to obtain a sustainable development. The continent's new leaders must look to the villages to find an exit from the crisis. They can't count on recessive models like the FMI, BM or BD. We must separate ourselves from the TLC, searching for a better economy with which to unite our markets, without running the risk of falling into "lost" decades of the '80s and '90s.

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