

Let's construct a real Community of South American Nations in order to 'live well'"

Proposal from President Evo Morales to the head of states and people of South America, October 2, 2006

In Cusco, December 2004, the presidents of South America took up the commitment of developing a "South American space, integrated in political, social, economic, environmental and infrastructural spheres" and affirmed that "South American integration is and has to be an integration of the peoples".

In the Declaration of Ayacucho they declared that the principles of freedom, equality, solidarity, social justice, tolerance, respect for the environment, are the fundamental pillars for this community to achieve an economically and socially sustainable development "that takes into account the urgent necessities of the most poorest, as well as the special requirements of the small and vulnerable economies of South America."

In September 2005, during the First Meeting of Heads of States of the Community of South American Nations held in Brazil, a priority agenda was approved that included, amongst other things, the themes of political dialogue, asymmetries, physical integration, environment, energy integration, financial mechanisms, economic trade convergence and the promotion of a social integration and social justice.

In December of that same year, at an Extraordinary Meeting held in Montevideo, the Strategic Commission of Reflection over the Process of South American Integration was conformed to elaborate "proposals destined to pushing forward the process of South American integration, in all its aspects (political, economic, commercial, social, cultural, energy and infrastructure, amongst others)."

Now at the Second Summit of Heads of States we need to deepen this process of integration from above and below. With our people, with our social movements, with our productive business owners, with our ministers, technicians and representatives. That is why, at the next Presidential Summit to be held in December in Bolivia we are also pushing forward a Social Summit for dialogue and construction in a joint manner, a real integration with the social participation of our peoples. After years of having been victims of misnamed "development," today our people have to be the actors in finding solutions for the grave problems of health, education, employment, unequal distribution of resources, discrimination, migration, exercising of democracy, preservation of the environment and respect for cultural diversity.

I am convinced that our next meeting in Bolivia needs to pass from declarations to action. I believe we need to advance towards a treaty that makes the Community of South American Nations a real South American bloc at the political, economic, social and cultural level. I am sure that our peoples are closer than our diplomacies. I believe, with all due respect, that we, the presidents, need to shake up our foreign ministries so that they rid themselves of routine and confront this great challenge.

I am conscious of the fact that our South American nations have different processes and rhythms. That is why I am proposing a process of integration at different speeds. Let us

walk an ambitious but flexible road. One that allows all of us to be a part of it, allowing each country to take up the commitments they can, and allow those who want to accelerate the pace do so towards the conformation of a real political, economic, social and cultural bloc. That is how other processes of integration have developed in the world and it is the most adequate path for advancement in the adoption of supranational instruments that respect the times and sovereignty of each country.

Our integration is and has to be an integration of, and for, the peoples. Trade, energy integration, infrastructure, and finance need to be at the function of resolving the biggest problems of poverty and the destruction of nature in our region. We cannot reduce the Community of South American Nations to an association that carries out projects for highways or gives credit that ends up essentially favouring the sectors tied to the world market. Our goal needs to be to forge a real integration to "live well". We say "live well" because we do not aspire to live better than others. We do not believe in the line of progress and unlimited development at the cost of others and nature. We need to complement each other and not compete. We need to share and not take advantage of our neighbour. "Live well" is to think not only in terms of income per capita but cultural identity, community, harmony between ourselves and with mother earth.

To advance in this path we propose:

At the social and cultural level

Let's liberate South America of illiteracy, malnutrition, malaria and other scourges of extreme poverty. Let's establish clear targets and a mechanism of monitoring, supporting and completing these objectives that are the basis for the construction of an integration at the service of human beings.

Let's construct a South American public and social system to guarantee access to all the population for services such as education, health and potable water. Uniting our resources, capacities and experiences we will be in a better condition to guarantee those fundamental human rights.

More employment in South America and less migration. The most valuable thing we have is our people and we are losing it due to a lack of employment in our countries. Labour casualisation and the shrinking of the state have not brought about more employment as they promised two decades ago. Governments need to intervene in a coordinated manner with public policies to generate sustainable and productive jobs.

Mechanisms to diminish disparity and social inequality. Respecting the sovereignty of all countries, we need to commit ourselves to adopting measures and projects that reduce the gap between rich and poor. The wealth needs to be and should be distributed in a more equitable manner in the region. For that we need to apply diverse mechanisms of a monetary, regulatory and redistributive type.

A continental fight against corruption and mafias. One of the largest problems that our societies confront is corruption and the establishment of mafias that begin to perforate the state and destroying the social fabric of our communities. Let's create a mechanism of transparency at the South American level and a Commission to struggle against corruption and impunity that, without violating juridical sovereignty of nations, carries out investigations of grave cases of corruption and illegal enrichment.

South American coordination with social participation to defeat narco-trafficking. Let's develop a South American system with the participation of our states and our civil societies

to support us, to articulate and banish narco-trafficking from our region. The only way of defeating this cancer is with the participation of our peoples and with the adoption of transparent measures and coordination between our countries to confront the distribution of drugs, money laundering, trafficking of precursors, fabrication, and production of cultivations that are derailed for these ends. This system needs to certify the advance in our struggle against narco-trafficking, surpassing the tests and "recommendations" that have until now failed in the fight against drugs.

Defense and pushing forward of cultural diversity. The greatest wealth of humanity is its cultural diversity. The homogenization and marketing for monetary gains or for domination, is an attack against humanity. At the level of education, communication, administration of justice, the exercising of democracy, territorial ordering and the management of natural resources, we need to preserve and promote the cultural diversity of our indigenous peoples, mestizos and all population that have migrated to our continent. At the same time we must respect and promote an economic diversity that comprehends forms of private, public and social-collective property.

Decriminalisation of the coca leaf and its industrialization in South America. Just as the fight against alcoholism can not lead us to criminalizing barley, nor can the struggle against narcotics lead us to destroying the Amazon in search of psycho-tropical plants, we must finish with the persecution of the coca leaf which is an essential component of the cultures of the Andean indigenous peoples and promote its industrialization for beneficial aims.

Advance towards a South American citizenry. Let's accelerate the measures that facilitate migration between our countries. Guaranteeing the full vigilance of human and labour rights and confronting traffickers of all types, until we achieve the establishment of a South American citizenry.

At the economic level

Complementary and not naked competition between our economies. Rather than following the path of privatization we need to support ourselves and complement each other to develop and promote our state companies. Together we can forge a South American state airline, a public telecommunication service, a state electricity network, a South American industry of generic medicines, a mining-metallurgical complex, in synthesis, a productive apparatus that is capable of satisfying the fundamental necessities of our population and strengthen our position in the world economy.

Fair trade at the service of the peoples of South America. Within the South American Community fair trade must take primacy to benefit all sectors, and particularly small businesses, communities, artisans, campesino economic organizations and producer associations. We have to move towards a convergence of CAN [Community of Andean Nations] and MERCOSUR [Common Market of the South] under new principles of solidarity and complementation that surpasses the rules of the free markets that have fundamentally benefited the multinational and some exporting sectors.

Effective measures to surpass the asymmetries between countries. In South America we have at one extreme countries with a Gross Domestic Product per capita of \$4000 to \$7000 per year and at the other extreme countries that barely reach the \$1000 per inhabitant. To tackle this grave problem we have to effectively comply with the all the dispositions already approved in CAN and MERCOSUR in favor of the less developed countries and assume a group of new measures that promote processes of industrialization in those countries, that give incentives to exportation with added value and improving the terms of exchange and prices in favor of smaller economies.

A Southern Development Bank. If in the South American Community we created a Bank of Development based on 10% of the international reserves of the countries in South America we would begin with a fund of \$16,000 million that would allow us to effectively attend to projects of productive development and integration under the criteria of financial recuperation and social content. At the same time, this Bank of the South could be strengthened with a guarantee mechanism based in the current value of primary materials that we have in our countries. Our "Bank of the South" needs to surpass the problems of other "development" banks that charged commercial interest rates, financed essentially "profitable" projects, conditioned access to credit on a series of macroeconomic indicators or the contracting of predetermined provider and executing companies.

A compensation fund for the social debt and asymmetries. We need to take up innovative mechanisms of financing like the creation of taxes on airline tickets, tobacco sales, arms trade, financial transactions by the large multinationals that operate in South America, so as to create a compensation fund that allows us to resolve the grave problems of the region.

Physical Integration for our people and not only for exportation. We have to develop infrastructure in regards to roads, waterways, and corridors, not just or only to export more to the world, but rather above all else to help communication between the peoples of South America, respecting the environment and reducing asymmetries. Within this framework we need to revise the Initiative for South American Regional Integration (IIRSA), taking into account the preoccupations of the people that want roadways to be built within the framework of poles of development and not highways used only for exports, through the middle of corridors of misery, and to increase external indebtedness.

Energy Integration between consumers and producers in the region.

Let's form an Energy Commission of South America to:

- Guarantee the supply of each one of our countries privileging the consumption of resources existing in the region
- Ensure, via common financing, the development of the necessary infrastructures so that the energy resources of the producing countries reach all South America.
- Define fair prices that combine the parameters of international prices with solidarity criteria aimed towards the South American region and redistribution in favor of the less developed economies.
- Certify our reserves and stop depending on the manipulations of the multinationals.
- Strengthen integration and complementation between our state gas and hydrocarbon companies.

At the level of environment and nature

Public policies with social participation to preserve the environment. We are one of the most privileged regions in the world in terms of environment, water and biodiversity. This obliges us to be extremely responsible with these natural resources which can not be treated as just another product to be sold, forgetting that on these depends life and the actual existence of the planet. We are obliged to conceive of an alternative and sustainable handling of natural resources recuperating the harmonic practices of cohabitation with

nature of our indigenous people and guaranteeing the social participation of the communities.

South American Committee for the Environment to elaborate strict norms and impose sanctions on the large companies that do not respect these rules. Local political interests can not be relied upon to guarantee respect for nature, that is why I propose the creation of a supranational organisation that has the capacity to dictate and carry out environmental norms.

South American convention for human rights and access for all living beings to water. As a region privileged with 27% of fresh water supplies in the world, we need to discuss and approve a South American Convention on Water that guarantees access to this vital resource to all living beings. We need to preserve water, in its different uses, from processes of privatizations and the market logic that are imposed in trade agreements. I am convinced that this South American treaty on Water would be a decisive step towards a Global Convention on Water.

Protection of our biodiversity. We can not allow the patenting of plants, animals and live materials. In the South American Community we have to apply a system of protection that on one side avoids the piracy of our biodiversity and on the other side guarantees the domination of our countries over these genetic resources and traditional collective knowledge.

At the level of political institutions

Let's deepen our democracies with greater social participation. Only a greater openness, transparency and the participation of our people in the taking of decisions can guarantee that our Community of South American Nations advances and progresses down the right path.

Let's strengthen our sovereignty and our common voice. The Community of South American Nations can be a grand lever to defend and affirm our sovereignty in a globalised and unipolar world. Individually as isolated countries some can be more easily susceptible to pressure and external conditioning. Together we have more possibilities to develop our own distinctive options in different international scenarios.

A Commission of Permanent Convergence to elaborate a treaty for CSN and guarantees the implementation of agreements. We need an agile institution, transparent, un-bureaucratic, with social participation, and which takes into account existing asymmetries. To advance effectively we need to create a Commission of Permanent Convergence made up of representatives of the 12 countries which, leading up to the Third Summit of Heads of States, elaborates a project for a treaty for the Community of South American Nations, taking into account the particularities and rhythms of the distinct nations. Similarly, this Commission of Permanent Convergence, via groups and commissions, should coordinate and work together with CAN, MERCOSUR, ALADI, OTCA and difference sub regional initiatives to avoid duplicating efforts and to guarantee the application of the commitments we take up.

We hope that this letter strengthens the thoughts and construction of proposals for an effective and positive Second Summit of Heads of States of the Community of South American Nations, I leave you reiterating my invitation for our meeting on 8-9 December in Cochabamba, Bolivia.

Regards,

Evo Morales Ayma

President of the Republic of Bolivia.