

# To Latin America's Health

*Fernando Borgia*

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Latin America has been an immense laboratory in the application of the neoliberal economic policies promoted by the World Bank, the International Monetary Fund and the Interamerican Development Bank. These policies were followed and promoted through cooperation missions by multilateral agencies with the complicity of sitting governments and local bourgeoisie.

However, nowadays Latin America is witnessing a series of experiments in "counter reform." These can be understood as "progressive reforms" in reaction to former neoliberal programs and some of them are summarized in this editorial.

## Neoliberal heritage

In order to understand their origins it is important to carefully examine a typical example of the results of neoliberal policies in Latin America: the Argentinean crisis after the Menem era<sup>1</sup>. This crisis had economic, social and health consequences, consequences which had parallels in the rest of the continent. Possibly the greatest paradox was that while on the one hand there was a significant increase in the production of agricultural and fishing products, this was accompanied by a marked increase in hunger and chronic, severe malnutrition, principally in children under five. On the other hand there were record tax collections resulting from the sale of many public companies and decreased social spending as social responsibilities were transferred to the market sector. This caused the enrichment of a few and generated "the social holocaust"<sup>2</sup>, moving the country towards a market society in which human rights are redefined from a commercial perspective, thus producing an increase in social vulnerability of a considerable number of inhabitants.

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<sup>1</sup> Carlos Menem was President of Argentina for two consecutive ten-year-periods (1989-1995, 1995-1999)

<sup>2</sup> Borón, Atilio A., "Estado, capitalismo y democracia en América Latina", CLACSO Buenos Aires, 2003.

## Political changes

This worsening crisis and the evidence of economic interests in the invasion of Middle East countries, both contributed enormously to what Eduardo Galeano<sup>3</sup> called "the end of fear". This has been symbolized in Bolivia by the assumption of power by President Evo Morales, representative of the indigenous peoples of America. According to public opinion polls, in the presidential election held on 18 December 2005, none of the candidates would obtain the absolute majority (50% plus one) necessary to be directly elected, therefore, the president would be appointed by the new Congress. However, election results gave Evo Morales an absolute majority with more than the 54% of the vote, instead of what previous polls had showed (37%). Nearly 30% of the electorate Quechua, and 25% are Aymara. Political instability had been a characteristic of Bolivia's recent past. There were five presidents in four years as a consequence of the neoliberal economic reforms known as "shock therapy" instituted by President Gonzalo Sánchez de Lozada. These reforms led to the privatization of former public utilities, and eventually to what has been called "the Gas War" when in October 2003, protests forced Sánchez de Lozada to resign. Most protesters were indigenous peasants and miners. Carlos Mesa Gisbert served briefly as Interim President. During his brief administration, Mesa organized a referendum on the nationalization of industrial hydrocarbon. Although he claimed the referendum was a success [voters approved nationalization], critics noted that the wording of the referendum with respect to absolute nationalization of hydrocarbons was vague and ambiguous. A new social and political crisis developed. A second Gas War broke out in May 2005, when the Congress declared there would be an increase from 18% to 32% in the taxes on foreign companies. Protesters led by Evo Morales and Felipe Quispe considered that the law was not

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<sup>3</sup> Uruguayan writer known for his book "The Open Veins of Latin America"

sufficiently beneficial to the country and set up roadblocks to cut off La Paz. In June 2005 protests finally forced Mesa to resign. After the Presidents of the Senate and the Chamber of Deputies declined the post (both constitutional successors of the President), Eduardo Rodríguez, the Chief Justice of the Supreme Court, was appointed President. He called for presidential elections, which Evo won categorically.

Prior to that, the political scene of Chile had been altered by Michelle Bachelet's (Socialist Party) election to the Presidency. She has become the first woman President in the country's history, winning runoff elections held on 15 January 2006 with 53.5% of the vote. Her election was partly the result of previous coalitions by Patricio Alwin (1990-1994), Eduardo Frei (1994-2000) and Ricardo Lagos (2000-2006). Some important changes can be foreseen; for example, the gender equality among members of the Council of Ministers.

In the Bolivarian Venezuela, Hugo Chávez was the presidential candidate of the Political Party of the Fifth Republic (*Movimiento Quinta República, MVR*) in coalition with other political parties and organizations that formed "the Patriotic Pole" (*Polo Patriótico*). Chávez took office on 2 February 1999. On 25 July of that year, a Constituent Assembly met and in December of 1999 a new constitution was approved in a referendum and came into force. In July of 2000, there were new general elections and Chávez won with 59.7% of the vote, starting his six-year presidential term on 17 August 2000. His party - the MVR - has won a majority of positions in municipal, state and congressions elections since then.

On 11 April, 2003 protesters, from both sides, were killed in a general strike organized by FEDECAMARAS (Venezuelan Federation of Chambers of Commerce) leading to the announcement by General Lucas Rincón Romero that Chávez's had resigned. There was an immediate coup d'état by dissident army officers and Pedro Carmona Estanga (President of FEDECAMARAS) was named President. On 14 April 2002, after two days of social protests and lacking any international support (except the

USA), loyal army officers took power and Chávez was returned to the presidency.

On 15 August 2004 59.1% of the voters approved a referendum which authorized Chávez to remain as President until 2006; six-year presidencies were established by the new constitution but he had been elected under the former, which provided otherwise. By the end of the year 2004, elections were held at a municipal and state level; most of the elected governors and mayors were supporters of Chávez. At a different date in September 2005, town councilors and parish committees were elected for the first time in the country's history. In December 2005, all National Assembly seats were won by supporters of Chávez. 75% of the electorate did not vote; most candidates of the opposition resigned their candidacies claiming that Venezuelan elections was not valid. Supporters of Chávez considered this was a boycott to the country's electoral system. The next presidential elections are being held on December 3 of this year, and the elected candidate shall rule Venezuela until 2013. All opinion polls show Chávez as winner, although they state that many voters could change their option.

In Brazil, on 27 October 2002, Luiz Inácio Lula Da Silva - candidate of the Workers' Party (Portuguese: Partido dos Trabalhadores - PT) - was elected President with 61.34% of the vote, in a runoff election. He became the first worker and socialist President in Brazil's history. On October 29, 2006, he was re-elected President for another 4-year-period with 60.74% of the vote, again in a runoff.

In Panama, Martin Torrijos - member of the opposition - won the elections held on May 2, 2004, with 47.44% of the vote. Torrijos belongs to a center-left alliance called "New Country" (*Patria Nueva*) formed by the Democratic Revolutionary Party (*Partido Revolucionario Democrático, PRD*) and the People's Party (*Partido Popular, PP*). Ex-President Guillermo Endara - Solidarity Party (*Partido Solidaridad, PS*) lost with only 30.86% of the vote.

In Uruguay, the coalition of left-wing parties and progressive forces called Progressive Encounter-Broad Front-New Majority (*Encuentro Progresista-Frente Amplio-Nueva Mayoría, EP-FA-NM*) led Tabaré Vázquez to win the elections

held on 31 October 2004. He obtained an absolute majority of the vote in the first round and the majority of Parliament seats in both Chambers. The Party in the government – the traditional Colorado Party – was roundly defeated rival obtaining only 10% of the vote. In July 2005, after the results of local elections held in the 19 departments, the Left, which had governed in Montevideo, now assumed power in seven more Departments (Treinta y Tres, Rocha, Maldonado, Canelones, Florida, Slatto y Paysandù).

All these changes have been preceded by experiences in local, municipal and provincial governments with counter-hegemonic characteristics, but also by failures like the Alliance<sup>4</sup> in Argentina or Lucio Gutiérrez's government<sup>5</sup> in Ecuador.

Winds of change are blowing in Nicaragua where elections held last November were won by the Sandinista National Liberation Front (*Frente Sandinista de Liberación Nacional, FSLN*), which ruled the country between 1979 and 1990, after defeating the dynastic dictatorships of the Somoza family which they had fought since the '60s. The

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<sup>4</sup> Political force formed by the Radical Party and the coalition of left-wing parties gathered in the Front for a Country in Solidarity (*Frente País Solidario, FREPASO*) created to avoid Menem's re-election. The Alliance won the elections, but afterwards its economic policies increasingly followed Washington's guidelines and Domingo Cavallo – Menem's Economy Minister – was named Minister of Economy. Changes in economic policies alienated Vice President Carlos Álvarez (FREPASO) and led to his eventual resignation. In December 2001, the economic and social crisis forced President Carlos de la Rúa (Radical Party) to resign.

<sup>5</sup> Lucio Gutiérrez supported the rebellion of indigenous peoples on 21 January 2000, which overthrew President Jamil Mahuad's government. Gutiérrez was elected President on 20 October 2002 with the support of indigenous people's movements and he appointed a male and a female minister from indigenous backgrounds. On 20 April 2005, he was dismissed by the Congress after serious social protests caused by his failure to carry out the governmental program, nepotistic attitudes, the proposal of a Free Trade Alliance with the United States, the alliance with ex-President Abdalá Bucaram (found guilty of corruption), and other causes. Alfredo Palacio was then appointed Deputy President. Gutiérrez took refuge first in Brazil and then in Colombia. He was captured when he returned to Ecuador in October 2005. He was charged with sedition; however, he was released after the Superior Court of Quito dismissed the case in March 2006.

FSLN obtained 40% of the vote, defeating Lawyer José Rizo, candidate of the right-wing Constitutional Liberal Party (*Partido Liberal Constitucional, PLC*). Rizo's was a protégé of former President Arnoldo Alemán (1997-2002) who had been found guilty of corruption. Other losers in this election included: the right-wing Nicaraguan Liberal Alliance (*Alianza Liberal Nicaragüense*), led by banker and ex-civil servant Eduardo Montealegre; the Sandinista Renewal Movement (*Movimiento Renovador Sandinista, MRS*), which was once part of the FSLN and whose candidate was the economist Edmundo Jarquín; and the Alternative for Change (*Alternativa por el cambio, AC*), whose candidate was the former guerrilla fighter Edén Pastora who had distanced himself from the Sandinistas a long time ago.

In Costa Rica elections held on February 5, 2006 were narrowly won by social democratic candidate Oscar Arias – former President [1986 - 1990] – who obtained 1.1% more than his main opponent, Otton Solís Fallas of the Citizen's Action Party (*Partido de Acción Ciudadana*) who obtained 40% of the vote. In 1987, Arias was awarded the Nobel Peace Prize due to his participation in the peace processes of armed conflicts in Latin America. Otton, who has a position against CAFTA, has an important support in Parliament. The candidate who obtained the lowest number of votes was Ricardo Toledo Carraza of the Social Christian Unity Party (*Partido Unión Social Cristiana – PUSC*). He obtained 5%, while former President Abel Pacheco (of the same party) obtained 58% of the vote in the second round.

In Ecuador the right-wing millionaire and businessman Álvaro Noboa, candidate of the Institutional Renewal Party of National Action (*Partido Renovador Institucional Acción Nacional, PRIAN*), obtained only 3.9% more than the left-wing economist Rafael Correa of Country Alliance (*Alianza País, AP*) in the first round of the presidential elections held last 15 October; they got 26.8% and 22.9% of the valid votes, respectively. The runoff is held next 26<sup>th</sup> November.

### **Health reforms and counter reforms**

The health reforms implemented during the '80s and '90s tended to reduce state responsibility

for social policy, including health policy. Responsibility was transferred to individuals and to the private sector which was seen as the privileged administrator.

The Bolivarian counter reform in Venezuela is based on a constitutional reform which acknowledges a state responsibility for a series of social rights, including the right to health and social welfare.

In Brazil, the Single Health System was born during the democratic recovery process and was included in the 1988 constitutional reform. Its implementation and the neoliberal offensive took place almost at the same time; fundamental laws creating the new system health came into effect in 1990. This gave the system a counter hegemonic character. It guaranteed the access to health services and was based on a major public investment, governmental and municipal administration of resources, and the obligation placed on the private sector to keep part of its capacity for the public sector.

The counter reform in Uruguay seeks to gradually extend the health insurance system and to equalize the quality of health services by creating an Integrated Health System and a National Health Insurance.

In Chile, Bachelet's government has announced its intention to modify the insurance model implemented by the AUGE Plan; this requires health service providers to offer the insured individuals a set of at least seventeen benefits free of charge. The government has the intention of requiring more integrated coverage.

In Bolivia, the creation of a National Public Health Insurance is being discussed. It would replace the current partial insurances (children under five, pregnant women) and would include funding of traditional indigenous medicine.

In Mexico, a successful health policy was developed in the capital city (*Distrito Federal*) during a progressive government. This occurred through the Medical Services and Free Medicine Law. This success led to the political growth of the Mexican left which was seen as a credible and trustworthy opposition force.

## **The ethical foundations of patriarchy and Neoliberalism**

Latin America owes its dramatic situation to a crisis in social justice. This, in turn, is based on an ethical crisis which occurs when market efficiency is seen as more important than collective welfare. This ethical crisis was fed by the "red fear" which served as an excuse for inhuman and cruel acts of torture, kidnapping, forced disappearance of people and children trade, during the bloody civic-military dictatorships of the '70s and '80s, and which continued with the approval of impunity laws and corruption among members of the governments.

### **Social and Ethical grounds for "the change"**

As a way of example on how the different perspectives have developed in the political scene of Latin America:

In Bolivia, the election of Evo, representative of the Bolivian indigenous peoples, not only demonstrates political change and the acknowledgement of an ethnic majority formerly excluded from the executive power, but also suggests the creation of a strong State with the legalization of coca production and the protection of natural resources – mainly hydrocarbons. This strong State should regulate the industrial economic expansion, absorb its surplus and transfer it to the communitarian sector in order to promote self-organized ways of Amazonian commercial development.

In this sense, we can see how foreign interference, no matter where it comes from, has been rejected. Prior to the Bolivian elections, public statements made by the American Embassy were rejected by the population. Such statements were intended to be warnings of institutional and economic instability, however, they widened the electoral grounds for the Movement Towards Socialism (*Movimiento al Socialismo, MAS*) and eventually led to Evo's victory. At the same time, in Bolivia, both sides have fulfilled their pre-electoral promises. 1) The USA has withdrawn its support to the country and turned cooperation into an extortion and confrontation tool against the government. Support had been provided mainly via USAID, whose headquarters have now been moved to those provinces where the opposition is in the majority. 2) Evo is gradually reforming the



models of development, hydrocarbon production, health, etc.

In Uruguay, political changes have re-implemented “Salary Councils” whose byproduct has been the creation of 400 new trade unions during the 10 first months of the government. “Salary Councils” are tripartite committees which deal with issues such as pay raises and working conditions.

In Venezuela, the Bolivarian Revolution brought about a historic access to literacy, social welfare and health care for formerly excluded people.

In Chile, Bachelet’s renewal has introduced gender equality into political leadership, in the first country under a “left-wing” regime to sign a bilateral trade agreement with the USA.

Surprising the rest of the continent, Brazil and Argentina have paid their debts with the IMF and changed the historical position of the Left replacing the “don’t pay the debt” position with “pay cash and in advance.” This led to a debate on the governments’ priorities and social cost of such payments. Unfortunately, these countries have not yet been able to change the long established traditions of corruption within the state apparatus.

### **Fragility of Latin American Integration**

However, the potential vulnerability of these processes is demonstrated by the changes in two countries which have been left deliberately unmentioned: Peru and Mexico.

Peru’s case shows how the learning process with respect to Latin American integration is far from over. Once again we have seen a rejection of foreign influence on occasion of the public and publicized cross-accusations between Hugo Chávez, President of the Bolivarian Venezuela, and Alan García, Former Peruvian President and presidential candidate. Chávez supported Peruvian presidential candidate Humala and this led to the confrontation between Chávez and García. The conflict, fed by media comparison of Humala with Chavez, ended up favoring García in both the first round of voting in which he defeated Lourdes Flores (Officialist Candidate), and in the second round, when he defeated Humala. Humala had obtained the most votes in the first round, providing him with a plurality of seats in Parliament.

Mexico proves to have an important polarization of its population and a complete lack of guarantees and transparency in its electoral processes. Andres Manuel López Obrador’s persecution has been a good example of this. He was forced to face a political trial organized by the Right, which he later dismissed. Subsequently, Mexican presidential elections results showed a tie between Obrador and Felipe Calderón, candidate of the government. However, the latter was quickly appointed president and there was a refusal to count “vote by vote” “ballot by ballot” – all of which raise justified doubts about the outcome.

In the meantime, the White House had promptly acknowledged Felipe Calderón’s electoral triumph, paying no attention to all the accusations of fraud and inconsistency of results made by several observers of the electoral process. Had Manuel López Obrador won the elections, the Left in Latin America would have had another triumph and the Imperial relationships with Mexico, which have been stimulated by NAFTA (North American Free Trade Alliance) would have been in trouble.

Another regrettable antidemocratic event has taken place in Oaxaca (Mexico). Gobernador Ulises Ruiz did not acknowledge the legitimacy of the Chamber of Deputies which had demanded his resignation after the murder of a teacher and the abusive use of force made by the police. In this case, popular resistance was strengthened by a Supreme Court decision, which dismissed the claim by the governor that constitutional issues were at stake.

### **Economic political integration in the Southern Common Market: MERCOSUR**

The public confrontation between Chávez and García deepened the distances between Venezuela and the Andean Community (CAN), although this process had already begun to develop with the widening political distance between Venezuela, Ecuador (after its president adopted positions favorable to the United States) and Colombia (where Álvaro Uribe was re-elected with a clear majority of the vote).

At the same time, Venezuela became a member of MERCOSUR formed by Argentina, Uruguay,

Brazil and Paraguay as well as associate countries – Chile and Bolivia – which are not full members.

This does not mean that everything is working properly in the South. There are strong controversies between Chile, Argentina, Brazil and Bolivia regarding the costs of distribution and development of hydrocarbons. On the other hand, there still exists Bolivia's historical claim to a pathway to the Pacific through Chile; this is currently being negotiated within the OAS. There also exists a conflict between Argentina and Uruguay regarding the installation of cellulose paste plants along the Uruguay River (a border between the two countries). The MERCOSUR Arbitration Court award has sustained Uruguay's position, however, the controversy has been taken to The Hague, as provided by the Uruguay River Treatment. The list goes on.

However, MERCOSUR appears to be a sub-regional space where there are "ideological similarities." This is true despite the fact that one could not say Nicanor Duarte has a Left ideology and Néstor Kirchner can only be seen as a progressive within his own party (Peronist) and only if compared to his predecessor – Menem.

In spite of that, MERCOSUR, which encompasses 75% of South American GDP, has put on its agenda the discussion of topics which go beyond commercial agreements and which suggest that it is a vehicle for social and political integration.

Ideological similarities have been evidenced by the commercial agreements with Cuba signed during the 25<sup>th</sup> Summit of Presidents of the Common Market. Cuba's integration to MERCOSUR was proposed during the summit. This constitutes the strongest political action taken against the economic embargo imposed to that country by the United States.

### **New alliances for health**

The Health sector demonstrates most clearly that new alliances are necessary in order to achieve further changes in this part of the South. The so called Cuban "Miracle Operation" provides eye operations free of charge for poor people from every country in the continent. This program shows how the insurance and market models have left behind those people in need, and at the same

time, it proves that solidarity is possible among the countries without elaborate preconditions.

This initiative can be added to the experiences made by the Cuban Latin American School of Medicine and the multiple examples of Cuban technical cooperation, mainly in the fields of tropical diseases and natural disasters (hurricanes and earthquakes). Exemplary of this kind of cooperation has been Cuba's "Mission into the neighborhood" (*Misión Barrio Adentro*) in Venezuela.

The extreme situation in Uruguayan is another case in point. Cuba donated vaccines against meningitis even though Uruguay had broken diplomatic relations with the island.

### **The Empire: Celebrations and Contradictions**

Paradoxically, it is Fidel Castro's health that is in the spotlight now. This has led to premature celebrations by anticastrists organized in Miami; and Condoleezza Rice's call for insurrection and government usurpation on CNN Spanish.

It seems that there still exist people who think that an imposed model of republican democracy – like the one attempted in Iraq – is the solution to the prosperity and happiness of the world's people, although the experience in Iraq has proved this is false. And thus the elected government in Palestine has not been acknowledged as it is considered to be composed of terrorists – although it was elected in a multiple party regime election which was observed by international watchers.

### **Conclusions**

Strong winds of change in Latin America are blowing whatever the weather up north might be; they swirl around and reappear just when their spirit seems to be vanishing. In each country, the changes combine the experiences of struggle and resistance against neoliberalism with imperfect and incomplete projects of alternative development. The inconsistent process of integration is inconsistent, its backwards and forward steps, serve to highlight the tensions between Latin American nationalisms even while the focus is on economic and commercial issues. With respect to health policies an increasing number of parties, municipalities, cities, provinces, states, departments and countries are moving along a complex way to decommodify health. No matter

how incipient, contradictory, vulnerable or dependant on external cooperation or Latin American solidarity, these changes may be, they are all auspicious – specially if compared to the prior political-ideological scene set by the reforms implemented under the influence of the World Bank, the International Monetary Fund and United States strategic interests.

All things considered, a toast is proposed. Wishing that Latin America would be more integrated on the grounds of solidarity among its peoples and hoping the history, culture, struggle and resistance that unites this continent are given their proper importance... to Latin America's Health!

Montevideo, Uruguay  
Fernando Borgia [fernando.borgia@gmail.com](mailto:fernando.borgia@gmail.com)