

OPEN LETTER

For a Bank of the South: Second Open Letter to Seven Latin American Presidents

Sunday 9 December 2007, by [Collective / Multiple signers](#) (Date first published: 7 December 2007).

BANK OF THE SOUTH

SECOND OPEN LETTER TO THE PRESIDENTS OF ARGENTINA, BOLIVIA, BRAZIL, ECUADOR, PARAGUAY, URUGUAY AND VENEZUELA

FOR A BANK OF THE SOUTH FOCUSED ON A MATRIX OF SOVEREIGNTY, SOLIDARITY, SUSTAINABILITY AND INTEGRATION FOR THE DEVELOPMENT OF THE CONTINENT

Dear Mr. Presidents,

We are addressing you for the second time to express the high expectations created in our peoples on the initiative to establish a Bank of the South. We are also encouraged by the positive response of other countries of South America who have manifested their wish to participate in the Bank of the South.

Signatories are from social networks, organizations and movements, labour unions and professionals who are fighting against the scourge of illegitimate public debt and the twisted policies and practices of the existing international financial institutions and the current global trade system. We are sure that the decision to establish a Bank of the South can be a significant big step and an opportunity not only for South America, but for the whole of Latin America and the Caribbean, as also other regions of the Southern Hemisphere.

We come from a recent history of struggle against dictatorships in almost the whole continent. This explains our determination to open and institute new spaces for participation and direct democracy. However, the not very transparent and non participative way in which the negotiations on the establishment of the Bank of the South are being carried forward, without public debate and without consultation with our societies, can indicate that we are facing something that could turn out to be more of the same.

It is our conviction that a new South-South financial entity should be focused not only on going beyond the negative experiences of economic opening , with always the same consequence of higher indebtedness and capital drainage, deregulation and privatization of the public patrimony and basic services suffered by the region; but also beyond the well-known non-democratic, non-transparent , regressive and discredited behaviour of multilateral bodies such as the World Bank, the CAF, the IADB and the IMF. Our recent history has shown that the latter's choice of economic, social, and environmental policies imposed on our governments through conditionalities, have ended in the decapitalization and deindustrialization of the region's economies, and have imprisoned these in the agro-mineral-exporter model that stops their development and deepens their subordination to the North economies, while worsening social inequity, ecological damage and the "eternal" financial,

historic, social, cultural, and ecological debts.

Knowing how important it is for the countries involved in the establishment of the Bank of the South to reach an agreement upon key issues related to its nature and objectives, and its financial and operational structure, we think it is essential for us to pose the following proposals that express the aspirations of ample sectors of our countries' societies, according to what was clearly manifested by their main representatives consulted:

1. That the focus of the Bank of the South should be in promoting a new development framework whose essential values be the sovereignty of our peoples on their territory and their own development; a responsible self-determination on our economic, social, and environmental policies; on solidarity, sustainability, and ecological justice; that for the Bank economic and technological development be conceived as a means for the superior goal which is human and social development.
2. That the action of the Bank of the South be guided by concrete goals such as full employment with dignity, ensuring food, health and housing, universalization of basic public and free education, a redistribution of riches overcoming inequity, even gender and ethnic ones, reducing greenhouse effect gases and their effects on the continent's population and the other peoples of the south.
3. That the Bank of the South be an integral part of a new Latin-American and Caribbean financial architecture which includes a South Fund with the functions of a Continental Central Bank capable of articulating a great continental payment system with a state of the art telematics platform; capable of linking the policies which promote macroeconomic stability with development and reduction of structural asymmetries policies; and which considers a development in the future of a common monetary system at the service of a strategy which strengthens economic and commercial ties within the region, introducing trade interchange with national currencies, and working towards the establishment of a regional currency at least for intraregional interchanges. The building of a space for supranational monetary and financial sovereignty demands a lot of local flexibility to avoid sub imperialist temptations, and the victory of monetarist orthodoxy in some aspects as those in recent the European experience.
4. That the Bank of the South be useful to recover the values related to historic, social and ecological debts of which our peoples are creditors. That its financing be oriented towards going beyond the social asymmetries and inequities, and the ecological damage perpetrated in the continent for more the five centuries.
5. That the Bank of the South consider the participation of citizen organizations and social movements, not only in the development of its original architecture but also in financial and operational decision making, and in the monitoring of the use given to the funds awarded.
6. That the Bank of the South implements its management in an egalitarian way among its member countries, instituting and keeping the egalitarian principle of "one associate one vote" in all levels of collegiate decisions, and that it aspires to channel regional savings in the region.
7. That capital subscriptions of the Bank of the South be proportional to the capability of the economy of its member countries; that other sources of capitalization may include part of international reserves and loans from member countries, global taxes and donations. Financial resources from the present multilateral financial institutions and from states that have plundered our continent should be excluded. That these dispositions of the Bank of the South may allow an increasing growth in putting member countries' reserves out of the sphere of the dollar and the euro, and encourage the return of national capitals deposited abroad.

8. That the Bank of the South be committed to transparency in its administration, settling public account for its functioning and activities, submitting to permanent external audits of its loans and its internal functioning with social participation.

9. For the Bank of the South not to become “more of the same”, the quality, austerity and management efficiency must be permanently evaluated, forbidding any kind of immunity privileges to its officials, and based on the maximum in time transparent reporting, and the democratic and social control of its management. To avoid excessive expenditures and bureaucratic deviations a small body of simultaneously diversified, efficient, effective and managerially polyvalent officials must be designated.

10. That the loans be destined to the promotion of a genuinely cooperative regional integration, based on principles such as active subsidiarity, proportionality and complementarities; financing of public investment projects; paying attention to self-managing local development, and promoting equitable and solidarity commercial exchanges between family farmers, small producers, the cooperative sector and social solidarity economy, indigenous and traditional communities and women's, fishermen's, workers', identity etc. socioeconomic organizations.

11. That the Bank of the South adopts as investment priority those projects oriented towards food and energy sovereignty; research and development of appropriate technologies for an endogenous and sustainable development of the region, including free software; the programmed and complementary production of generic medicines; the recovery of ancestral wisdom, systematized and accepted as an agro ecologic science; the promotion of environmental justice; the improvement of public services: support to victims of forced displacements; promotion of communications and intraregional culture; the creation of a University of the South and an equivalence system for diplomas issued in all the region: infrastructure starting from other logics of space organization instrumented by communities for local solidarity and self-management development. That the bank should not reproduce the financing model of present day international financial institutions with the construction of mega-projects that damage the environment and biodiversity.

12. The Bank of the South must be considered an essential tool for the custody and channelling of savings, breaking the repeated cycles of collection of the national and regional efforts through manoeuvres and suspicious deals with indebtedness and public titles, subsidies to privileged and/or corrupted private local and international economic and financial groups, and a permanent guarantee to the speculative movements of capital entry and outflow.

We understand that all the above is in keeping with what was emphasized in the Ministerial Statement of Quito, on May 8, pointing that: “The peoples have given their governments the mandate to provide the region with new instruments of integration for development which must be based on a democratic, transparent, participative, and accountable to their citizens' design”.

We are worried about the postponements in the signature of the founding act, which could indicate the existence of significant unresolved issues. We hope that in the negotiations to overcome these unresolved issues, the proposals presented in this letter will be taken into account.

The current regional and international economic and financial situation is still favourable to give concrete steps in this direction, but it may not last. We trust in that you will take advantage of this historic possibility to create what could turn into a real Solidarity Bank of the peoples of the South.

Yours sincerely,

November 2007

*Sign up writing to Jubilé Sud - Américas : jubileosur.wamani.apc.org
and Jorge Marchini : jorgemarchini.fibertel.com.ar.*

FIRST SIGNATORIE'S ORGANISATIONS:

LATIN AMERICA AND CARAIBS

Regionals :

Alianza Social Continental (ASC)

Consejo Latinoamericano de las Ciencias Sociales (CLACSO)

Convergencia de Movimientos Populares de América (COMPA)

Grito de los Excluidos/as Mesoamericano.

Jubileo Sur/Américas

Justicia, Paz e Integridad de la Creación (JUPIC)

Observatorio Internacional de la Deuda en América Latina (OID)

Organización Caribeña y Latinoamericana de Estudiantes (OCLAE)

Programa de Incidencia sobre Deuda Externa Ilegítima, Federación Luterana Mundial

Red latinoamericana sobre Deuda, Derechos Humanos y Desarrollo (LATINDADD)

Red Solidaria por los Derechos Humanos REDH

Servicio Paz y Justicia en América Latina (SERPAJ-AL)

Sociedad Latinoamericana de Economía Política (SEPLA)

Nationals:

Argentina

ATTAC

Convocatoria No al CIADI, Sí a la Soberanía

Diálogo 2000

Espacio No-Deuda; Federación Judicial Argentina (FJA)

Mate Amargo

Museo Che Guevara

Movimiento por la Paz, la Soberanía y la Solidaridad (MOPASSOL)

Multisectorial de Solidaridad con Cuba

Movimiento por la Soberanía y la Integración de los Pueblos (MoSIP)

MoSIP- Lanús; Periódico El Espejo

Bolivia:

Red de Mujeres y Minería

El grito de los excluidos

Movimiento Boliviano por la Soberanía y la Integración Solidaria de los Pueblos

Brazil :

PACS

Red Jubileu Sul Brasil

Rede Social de Justiça e Direitos Humanos

Rede Brasil sobre Instituciones Financieras Multilaterales

Esplar, Centro de Pesquisa e Assessoria

Sodireitos - Sociedade de Defesa dos Direitos Sexuais na Amazônia

Enquanto E-Changer/Brasil

Fórum de Mulheres da Amazônia Paraense - FMAP

FASE/AM (Federação de Órgãos para Assistência Social e Educacional)

Fórum da Amazônia Oriental - FAOR

Cáritas

Centro Acadêmico Josué de Castro

Canada:

Common Frontiers

Colombia:

Federación de Prosumidores Agroecológicos "agrosolidaria"; Kihili zafrá kunturpillku khamaqshiani

REMTE- Red Latino-americana de Mujeres Transformando la Economía

Cuba:

Centro Memorial Martin Luther King Jr.

Ecuator:

OCLAE; Jubileo 2000-Red Guayaquil

Grupo Nacional de la Deuda

Andres Mendoza Reynoso Proyecto Comunitario Bastion Popular

El Salvador:

Red de Acción Ciudadana frente al Comercio e Inversión, SINTI TECHAN

Guatemala:

Mesa Global

Haití:

PAPDA-Haití

Honduras:

Bloque Popular

Coordinadora Nacional de Resistencia Popular

Nicaragua:

Centro de Estudios Internacionales

Paraguay:

Iniciativa Paraguaya por la Integración de los Pueblos - Capítulo Paraguayo de la ASC

SOBREVIVENCIA/Amigos de la Tierra

Perou:

Marcha Mundial de Mujeres

Venezuela:

Cátedra sobre Desarrollo Humano Hernán Méndez Castellano, de la UCV
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Nuevo Sur SUDACA

Coalición de Tendencias Clasistas

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FETRAHIDROCARBUROS

FENASIRTRASALUD

FENTRASEP

FETRATEL

FENATRABEA

FETRAHARINA

FETRAUVE

FENATRAU

FENASINPRES

SINAFUM

FENACS

SINASOICA

SUTIC

SOVICA

SINTRAT

SUTRADIMECA

SUNEP-ME

SUNEP-IPASME

SUNEP-INAM

SUNTRASANAF

SINTRADELI

SINTRAVISEP

SINTRAPEL

VENECARTOREN

SINTRAGALLETA

SIPROPASTA

SINSBOLTRAPROEFE

SUNTRASAVIR

SITRAMECA

HOSPITALES Y CLINICAS

SINTRAHARINA

MANPA

SINTRAEM

SINTRAPLASTICO

SITRALACASA

OSPROTRABODIGAS

SINTRAERROMINERA

OUSINTRAEXTRUTEX

USINTRAEMBUTIDOS

SIUT-MINFRA

SUNTRAUNELLEZ

ATAUSIBO SITRAUNERG

SINTRABECO

SINBOTRAEMELEC

SINTRAVALORES

SUNTRABMERCAL

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Other parts of the world signatures:

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Jubilee South

Noviolencia International, Washington, DC, Estados Unidos

International NGO Forum on Indonesian Development

Migrant CARE Jakarta Indonesia

FODEX, República Democrática del Congo

Indian Social Action Forum (INSAF), India

Alianza Internacional de los Habitantes

Asociación A Sud - ITALIA

India - World Bank Tribunal' network., India

CADTM Senegal

CADTM Francia

CADTM Suiza

CADTM Lubumbashi (RD Congo)

APASH Congo Brazzaville

RNDD Níger

VAK India

CADTM Pakistan

ATTAC Morocco

KENGO Kenia

AGAS Siria

CAD Mali

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