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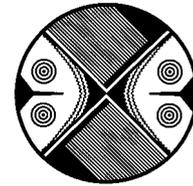
**Latin America's Changing Mosaic: Movements in Flux  
and Center-Left Governments in Power**

**James Petras**

In contrast to North America and Europe, in Latin America political regimes, social movements and ideologies are in constant flux. Within a period of a few years, the political pendulum can swing from a seemingly radical leftist wave, to center-left and even rightwing ascendancy<sup>i</sup>. Likewise major social movements emerge, expand from local or regional power bases to significant actors on the national political scene, play a major role in dispatching right-wing regimes, support and even enter governmental coalitions and then decline, especially if they fail to achieve any of the minimum demands of their supporters.<sup>ii</sup>

Despite this complex mosaic of relatively abrupt changes and shifts in political power, social configurations and ideological direction, many North American, European and Latin American writers, commentators, intellectuals and journalists are prone to sweeping generalizations covering the entire region and broad time spans, reflecting in many cases, limited experiences and time periods, which have largely become out of date.<sup>iii</sup> In most cases, these generalizations are poorly documented, impressionistic and lacking any empirical, historical or analytical depth.

In recent years, roughly from the beginning of the 21<sup>st</sup> century to the end of 2007 (and continuing) some of the most lauded intellectuals of North America continued to



describe Latin America as a hothouse for radical change, the home of the world's most dynamic social movements, and undergoing leftist-led social transformation.<sup>iv</sup> Several immediate and transparent objections arise.

In the first place "Latin America" as a whole did not experience radical social movements over the period in question. In fact after 2003, in most countries where significant social movements existed, there was a sharp decline in movement activity, membership and social power. A cursory view of Argentina's unemployed workers movement and factory occupations confirms this observation, as does the experience in Ecuador with CONAIE (the Indian movement).<sup>v</sup>

Secondly, most of Central America, the Caribbean and Pacific rim countries of South America never experienced a leftist government –not Mexico, Guatemala, El Salvador, Chile, Peru, Ecuador (up till 2007), Haiti (since 1991) or the rest of the Caribbean island countries.

Thirdly none of the social movements, even the largest and most influential, succeeded in imposing their programs on any regime in the region, despite, in some cases, playing a major role in ousting right-wing incumbents.

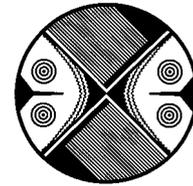
Fourthly, none of the self-styled 'radical' or center-left regimes attempted any consequential structural changes, despite having won elections in some cases by substantial majorities and having the backing of trade unions, social movements, and Indian organizations. With the exception of Venezuela, no center-left or centrist regime reversed the corrupt privatizations of the previous rightist neo-liberal regimes, no measures were taken to redistribute land, income or reduce inequalities and regressive taxes.

The singular fact about Latin America is that, despite a number of massive popular upheavals, several political regime changes and the sometime ascendancy of mass social movements in some countries, the continuity of property relations remains intact. In fact the dominant tendency is to greater concentrations of property, the continued prosperity and increased profits of largely foreign-owned giant agro-mineral export enterprises, the continuation of the class structure and an increase in socio-economic inequalities.<sup>vi</sup> These regressive tendencies mark this period of supposedly ascendant social movements.

Once again intellectuals, particularly on the left, have succumbed to the rhetoric of social change, to symbolic acts, which are structurally inconsequential, to cultural identities rather than material interests and to the fatal attraction of close proximity to the centers of power.<sup>vii</sup> Not infrequently part of the strategies of legitimizing the center-left regimes is to invite intellectual notables to their inaugurations and other visible public ceremonies, flattering and inflating the ceremonial importance of these intellectuals (organizing 'consultations', special interviews and other promotional activities) while securing favorable articles, books and other propaganda useful in obtaining the acquiescence of opinion leaders in mass organizations.

Without any historical foundations, many of the leftist intellectuals and journalists, celebrants of today's (or yesterday's) 'social movements', continue to view them as static social phenomena, always advancing, retaining or expanding their influence, never declining, degenerating or even losing their political relevance. In contrast, many of the movement leaders have often painted a different evaluation of their trajectories, at least in their internal discussions and debates.<sup>viii</sup>

Let us be clear about our conception of contemporary Latin American social movements and center-left regimes. We do not subscribe to any grand cyclical theory of rise and decline, or 'iron law of oligarchy' in which democratic social and political



movements are inevitably transformed into their opposites as they gain influence and power.<sup>ix</sup> We eschew any fatalistic theory in which the oppressed necessarily become oppressor. Our analysis of the shifting correlation of social power, the upward and downward trajectories of social movements are tied to an empirical context of socioeconomic crisis and expansion, changing forms of leadership and above all policies, alliances, tactics and strategies.<sup>x</sup>

The major theoretical and practical challenge facing any researcher or practitioner of Latin American politics is to account for the *structural continuities* in Latin America's socio-economic class system in the midst of major *social upheavals*, *political regime changes*, and radical shifts in public opinion.<sup>xi</sup>

We reject any simplistic explanations, which claim that the power of the social movements was exaggerated, that no 'real' upheavals took place and that regime changes were simply changes of 'personalities'. Equally untenable are arguments that there was/or is a far reaching and profound transformation taking place in Latin America, a 'clean break' with past neo-liberal practices and that a new institutional configuration is sweeping Latin America, resulting in new '21<sup>st</sup> Century Socialisms'.<sup>xii</sup>

An accurate understanding of the paradox of 'continuity in change' requires a *specification* of the *levels of analysis*, which is being addressed.<sup>xiii</sup> We specify four levels of analysis of socio-economic change and continuity. At the most fundamental level we are referring to changes in property and class relations, public, private and foreign ownership of strategic economic sectors, income and resource distribution, ideology and applied policies, environmental protection and pillage of natural resources. Foreign policy and international alignments with or against imperialism is a first level consideration.<sup>xiv</sup>

At a secondary level of analysis, we examine changes with regard to salaries, wages and profits, social expenditures, business subsidies, regressive/progressive taxation; specific political and cultural rights for oppressed Indians, women, blacks; legislation on labor, trade unions, job security contracts versus legislation facilitating and cheapening employer firings of workers ('labor flexibility'), budgetary priorities between raising public investments for productive facilities, employment and incentives to small scale producers versus increasing foreign reserves, accumulating budget surpluses and prioritizing debt payments, subsidizing large-scale agro-mineral exporters, protecting high cost national monopolies.<sup>xv</sup>

Third level of analysis is to focus on political institutional changes (from authoritarian military to electoral regimes), total de-regulation of markets versus introduction of select state interventions, market-based poverty reduction versus government-sponsored minimum poverty payments, incremental increases in minimum wages versus reduction in minimum wages, raises in nominal wages versus increases in real wages.<sup>xvi</sup>

The fourth level of analysis examines the ideological-cultural changes in regime legitimization, the symbolic gestures, cultural events and the corresponding disjuncture between ideological claims and socio-economic changes.<sup>xvii</sup> *Symbolic and political gestures* are viewed as socio-psychological *benefits* insofar as they lead to substantive changes in living standards and political power for social movements and popular classes. Otherwise they serve to mystify the continuity of elite rule, the exploitation of labor and natural resources and the maintenance of class-ethnic inequalities.

Overall the question we address is whether the 'association' or 'alliance' between popular-social movement (PSM) and 'center-left regimes' (CLR) has increased the



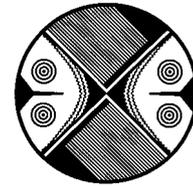
*quality* and *quantity* of goods, services and political power received by their constituents and extended their control of the state and economy.<sup>xviii</sup> Specifically we will analyze whether the PSM-CLR alliances have improved the masses' structural position in the economy, created new forms of direct representation, contributed to increasing their capacity for social mobilization, lessened inequality between classes, increased influence over the economy, lessened regressive taxation and arbitrary increases in utility and transport rates. Conversely, we will address the question of whether the alliance or relation between social movements and center-left regimes led to the demobilization of the movements, co-optation of their leaders, division and fragmentation? Have the movements lost members and capacity to influence national policies? How many of the original social and economic demands of the movements have been met? Have poverty, unemployment and temporary work declined or increased? How has land and income distribution been affected by the movement-regime alliance?

By addressing these questions in each country over time (past decade), we can have a substantive basis to generalize about the contemporary Latin American political *trajectory*.

### **Uneven and Combined Development in the Context of the World Market**

The movements and processes of socio-economic change in Latin America have rarely taken place in a uniform pattern, at least over the past 40 years. In the late 1960's to the early 1970's the Southern Cone, the Andean countries, Jamaica and Guyana were the sites of leftist regimes and powerful social movements,<sup>xix</sup> while right-wing civilian or military regimes ruled Brazil, Columbia, Venezuela, Central America, Dominican Republic, Grenada and Mexico.<sup>xx</sup> From the mid 1970's to the mid 1980's, the Southern Cone, Brazil and the Andean countries were generally ruled by right-wing, neo-liberal military dictators while radical movements and a revolutionary government (Nicaragua) flourished in Central America.<sup>xxi</sup> During the 1990's most of Latin American countries were ruled by authoritarian electoral neo-liberal civilian regimes (Argentina, Brazil, Mexico, Chile, Peru, Ecuador, Central American, Colombia and Uruguay) even as powerful largely rural-based peasant, rural worker and urban poor movements found increasing expression in powerful or emerging movements such as the Landless Rural Workers movement in Brazil, the Zapatistas and FARC guerrilla movement in Mexico and Colombia, the Cocalero peasant-Indian movement in Bolivia, CONAIE - the Indian movement in Ecuador.<sup>xxii</sup> Likewise the mass of urban poor backed the election of Hugo Chavez as President of Venezuela on the basis of his nationalist-populist programs.

The first three years of the new millennium (2000-2003) witnessed the closest thing to a more generalized pattern of radicalization in recent history, once again with many differences in levels and types of activity between countries and movements.<sup>xxiii</sup> These movements were, in large part, related to unfavorable world market prices and financial-economic crises. During this triennium, major popular uprising overthrowing neo-liberal electoral regimes took place in Argentina (December 2001), Ecuador (2001, 2003 and later in 2005), Bolivia (Oct 2003 and later May-June 2005), Venezuela (April 2002 overthrowing the 48-hour civilian military junta and restoring President elect Chavez to power) and finally Peru (2000).<sup>xxiv</sup> In addition urban and rural social movements found expression in massive land occupations led by the Brazilian MST (2000-2002);<sup>xxv</sup> nationwide large-scale street barricades blocking major



roads and several hundred factory occupation led by unemployed workers in Argentina (2000-2003)<sup>xxvi</sup>; powerful Indian-peasant-urban neighborhood movements and trade unions in Bolivia reached the very threshold of state power, temporarily disarticulating ruling class organizations and demanding the 're-founding' of the country (a new socialist socio-economic order) via a new constitutional assembly elected by the social movements. In Ecuador, for a brief moment, the Indian movement joined in a short-lived coalition government (72 hours) and later joined the ill-fated rightwing government of retired Colonel Lucio Gutierrez.<sup>xxvii</sup> In Venezuela, the government of President Chavez pressured by the mass movements moved toward more comprehensive social welfare programs and the democratization of state institutions by firing and jailing military officers, trade union bosses and oil executive directly implicated in the violent overthrow of the elected government.

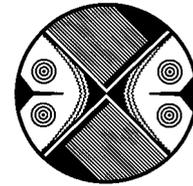
Even during the 2000-2003 period of widespread radicalization the process was not uniform. A former functionary of the World Bank ruled Peru and the movements temporarily subsided. An ultra-rightwing neo-liberal (Alvaro Uribe) took the Presidency in Colombia; President-elect Lula Da Silva veered sharply to the right, embracing free market economic policies and signed on to an IMF program of 'stabilization' and free markets. Chile remained true to Pinochet's free market policies under its neo-liberal 'socialist' President Ricardo Lagos. Mexico and Central America were ruled by right-wing regimes and the Zapatista movement was confined to a marginal role in national and even regional politics.

The 'new leftist wave' in Latin America, much commented upon by impressionistic scribes, academics, pundits and journalists, even during its highest point, certainly did not cover some of the major countries in Latin America (Mexico, Colombia, Brazil and Chile).<sup>xxviii</sup> Moreover in only one instance did an uprising lead to a genuine radical regime –and that was the restoration to power of Venezuela's President Chavez. The mass movements at the height of their power were able to overthrow existing neo-liberal regimes, but were unable to replace them with one of their own in a worker-peasant-urban poor regime.<sup>xxix</sup>

The intellectual proponents of a 'new wave of Leftism' in Latin America, even in the face of clearly contrary evidence, continued to write of the 'new order' (1) focusing only on the countries in which movements were strong and projecting their march to future state power<sup>xxx</sup>, (2) falsifying the class nature of the principle architects and executors of Lula's economic policies, ascribing to them, in a most superficial way, a 'popular-nationalist' character on the basis of Lula's working class origins and his past social democratic rhetoric<sup>xxxi</sup>, (3) ascribing a 'leftist' character to regimes and personalities on the basis of their nominal party labels and not their current policies (i.e. the Chilean Socialist Party and its President Bachelet)<sup>xxxii</sup> and (4) ignoring the existing right-wing regimes (Colombia, Peru, Mexico and Central American) and the ebbing of social movements in a number of countries (Peru, Ecuador, Chile, Nicaragua, Brazil, Bolivia and El Salvador).<sup>xxxiii</sup>

The failure of leftist analysts can also be considered a failure of the intellectual nerve –the un-willingness to accept the hard thinking that is required to account for the uneven development of political transformation, the need for greater political engagement with the movements, rather than optimistic cheerleading from the sidelines and within the institutional parameters of neo-liberal parliamentary regimes.

Out brief review of the past underlines the importance of recognizing the uneven development of social movement and political processes in Latin America and the



necessity of sticking with detailed analysis instead of impressionistic 'feel good' generalizations.

A second major consideration in discussing Latin American social movements and political change is the concept of *combined and divergent development*.<sup>xxxiv</sup> This concept refers to the current tendency of Latin American countries to sustain high rates of growth, accumulate billions in export surpluses and foreign reserves, and diversify markets at the same time that inequalities in property ownership, income, credits and subsidies increase. In other words, the socio-economic divergences between owners, financiers on the one hand and workers, peasants and small business people is directly related to the concentration, centralization of capital in the export-growth sectors.

Since the social movements are largely based among the workers and peasants and the center-left regimes have all embraced the capitalist-agro-mineral growth strategy, a multi-class based regime is in the *middle run* not compatible or sustainable. Center-left regimes depend on the combined development of agro-mineral export enclaves and the large inflows of export revenue to subsidize and secure support from other bourgeois sectors (industry, trade and real estate) as well as middle class professionals (lawyers, private practice physicians, media propagandists). The center-left regimes transfer some of the export revenues toward private sector middle classes in the form of subsidies, tax concessions and higher salaries. Recognizing the evident divergence in class interests, the center-left regimes engage in strategies to weaken the cohesion and unity of class action of all those classes adversely affected by the agro-mineral strategy. For example, President Kirchner of Argentina (2003-2007) combined a \$50 a month dole for the unemployed, co-optation of major unemployed leaders into the state apparatus, nationalist gestures and rhetoric, including criticism of the IMF, and trade agreements, and amicable public relations with nationalist leader Hugo Chavez.<sup>xxxv</sup> Other leaders like Evo Morales, constantly played up the threat of a coup without providing any evidence, Indian cultural symbols, general attacks on the oligarchy, even while subsidizing and defending the biggest agro-export elites, their lands, profits and exploitative labor relations and signing numerous lucrative investment agreements in the mining and energy sectors with foreign multinationals.<sup>xxxvi</sup>

Divergent outcomes of dynamic growth, concentration of greater export earnings in the hands of the capitalist class and a relative decrease in access to state revenues by the lower classes has led social movements to *reconsider* their relations with 'center-left' regimes and in some cases to break their ties and end their support, even as they are unable to construct a political alternative.<sup>xxxvii</sup>

In most cases, the prolonged alliance of the social movements with the center-left regimes has had major negative consequences for the internal structure of the movements, and their capacity to recreate movement alliances let alone new political alternative.<sup>xxxviii</sup> Two major Indian movements, CONAIE in Ecuador and the Cocaleros of Bolivia have lost sectors of supporters as a result of their ties to 'center-left' regimes. Many Indian communities decoupled from the movements, limiting the capacity of their leaders to mobilize them against class adversaries. Disillusion and a sense of betrayal permeate the base of the social movements beneath their national leaders and their local cadres.

In the case of the Brazilian MST, its 5-year 'alliance' with the Lula regime, including critical electoral support during Lula's frontal attack on the pensions and salaries of public employees and their trade unions, weakened the MST's capacity to articulate a coalition of social movements and trade unions subsequent to their break with Lula.<sup>xxxix</sup>

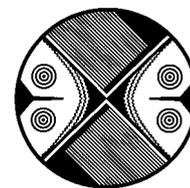


The rise of the center-left regimes benefited from extraordinarily favorable market prices (after 2003)<sup>xi</sup>, which allowed them to disarticulate the embryonic lower middle class radical organizations and turn them toward the center, and even toward the center-right. This was especially evident in Argentina, Brazil and Bolivia. In Argentina, at the time of the financial crash of 2001, almost all sectors of the middle class, were fearful of the permanent loss of their savings, impoverished by the freezing of their bank accounts, while facing the loss of jobs, bankruptcy of businesses and the total absence of credit.<sup>xii</sup> As a result, the middle classes joined street demonstrations with the unemployed, organized hundreds of neighborhood assemblies and committees and expressed their rancor through violent assaults on banks and public authorities.<sup>xiii</sup> With the advent of the center-left Kirchner regime and the boom in export prices, the economic crisis was replaced by a period of expansion, which included the recovery of bank savings, liquidity, income and consumer spending. The lower middle class abandoned the street, and turned against the popular social movements. The upper middle class turned to the authoritarian right for security and order. In the capital, Buenos Aires, they helped elect right-wing millionaire Macri as the new mayor.

By 2006, the political dynamic in a number of formerly crises-ridden and radicalized countries was shifting toward the right, in some cases the 'hard-right'. The rapid recovery, consolidation and offensive of the far-right was aided and abetted by the center-left's demobilization of the social movements and the economic recovery, due to high commodity prices. The economic and political recovery strengthened the far-right nucleus embedded in the foreign and national agro-mineral ruling sectors. The rapid re-emergence of the far-right is most clearly manifested in Bolivia, where as late as mid-2005, the Indian, worker and peasant movements overthrew a neo-liberal regime, dominated the streets and were in a position to dictate policy. Orthodox fiscal policies, conciliatory pacts with the economic oligarchy and agreements with all the major foreign-owned energy companies promoted by President Evo Morales provided a political platform for the re-launching of the right. The demoralization and demobilization of the social movements, the imposition of IMF-type fiscal policies and his unconditional defense of big agro-mineral interests (his 'nationalization' had nothing to do with 'expropriation' according to his public declarations) facilitated the rightwing recovery and offensive.<sup>xiiii</sup> The shifting correlation of forces between social movements and the ruling classes can be best understood through an analysis of the *continuity* and *changes* of the center-left regimes and the social movements over the past decade, relying on our specific criteria of *levels and spheres of change*.

### Argentina

Despite the major uprising of December 2001 and a year (2002) of extensive mobilization and mass popular organization of unemployed workers and middle class neighborhoods, over 200 factory occupations, violent general rejection of the free market policies and the overthrow of the incumbent president (De la Rúa) and three would-be presidents (in December-January 2001-02)<sup>xliv</sup>, the subsequent election of President Kirchner (2003) and his four years of rule was characterized by structural continuities. In the first place, the investment-banking sector responsible for the financial crisis remained intact.<sup>xlv</sup> President Kirchner moved to strengthen the position of foreign and private national capital by providing tax incentives and export



subsidies.<sup>xlvi</sup> Despite pressure from the majority of the electorate, Kirchner refused to re-nationalize strategic sectors of the economy, which were illicitly privatized under the previous kleptocratic regimes of Menem and De la Rúa.<sup>xlvii</sup>

Class relations remained the same. Anti-labor legislation affecting unionization, stable employment, hiring and firing, temporary work contracts remained intact.<sup>xlviii</sup> The Kirchner regime refused juridical recognition to one of the major trade union confederations (CTA) and worked largely with the corrupt confederation (CGT) which collaborated with the previous 'free market regimes'.<sup>xlix</sup> Income inequalities remained intact and in some cases increased, especially between the lowest 20% for the population and the highest 20%.<sup>1</sup>

Strategic privatized petrol, gas and telecommunication sectors remained in the hands of foreign capital, while foreign acquisitions of vast expanses of Argentine farmland and cattle ranges increased, making billionaire Hungarian-American George Soros, the biggest landowner in Argentina.<sup>li</sup>

In *structural terms*, the Kirchner's government was clearly a continuation of the previous right-wing neo-liberal regimes. Moreover, he successfully *consolidated* the previously unstable position of the private owners of privatized state property and gave *legitimacy* to the numerous illegal transfers of public firms to private ownership.

In policy terms, Kirchner put an end to factory occupations and forced the return of several worker-occupied factories to their previous private owners, despite the latter's' violation of labor contracts and bankruptcy proceedings. Kirchner maintained the \$50 (USD) or 150 Peso monthly subsidies to indigent working class families. Rising inflation over his term of office reduced the value of this subsidy by over a third.

During Kirchner's reign in office 2003-2007, Argentina grew on average by about 7%-8%, unemployment declined from over 23% to 11%, poverty levels fell from close to 50% to approximately one-third of the population. Yet 40% of the labor force was still employed in precarious/informal jobs.<sup>lii</sup> The engine of growth was the vast increase in demand and price of Argentina's traditional agro-mineral exports. With the doubling of prices of grains and energy, the Kirchner regime accumulated significant trade and budget surpluses, and large increases in state revenues. Windfall profits and revenues entered into the spheres of production and middle class consumption, but were largely appropriated by the agro-business, banking, industrial, commercial and real estate elites.

Kirchner gave high priority to early payment of the debt to the IMF and prompt payoffs on the renegotiated foreign debt –despite the dubious origin, contracting and disposal of loans by the previous military and Menem regimes.<sup>liii</sup> In the course of re-negotiating the foreign debt, Kirchner gave priority to payments to large overseas debt holders at the expense of retail debt holders. While Kirchner appeared to reduce the size of the debt, clauses in the debt agreement pegged debt payments to the growth performance of the economy: The higher the growth rate, the higher payment to foreign debt holders. Given Argentina's high growth rate, what appeared to be a debt reduction scheme turned otherwise, benefiting creditors over the Argentine masses. By the end of his Presidency, Argentina's debt had increased to over \$160 billion dollars.<sup>liv</sup>

Just prior to Kirchner's election, Argentina was covered by a dense network of unemployed workers organizations (piqueteros) that literally controlled the streets and major highways as a powerful lever to extract concessions from the state. Dissent and hostility to regime policy found expression in middle class neighborhood committees in their cry of 'All Politicians Out!' (Que se vayan todos). By the end of Kirchner's



presidency, the streets were generally clear of piqueteros, the middle class assemblies were a distant memory, many unemployed leaders were co-opted and became part of the state apparatus engaged in government patronage. One of the most striking and politically significant features of the Kirchner regime was the demobilization of the mass popular movement and the de-radicalization of the middle class.

Kirchner neutralized a substantial sector of the population demanding the re-nationalization of the electrical, gas and power sectors by freezing the rates charged to consumers, thus effectively reducing the cost to consumers. The private monopolies responded by virtually disinvesting in the sector leading to blackouts and the running down of supply.<sup>lv</sup> The likelihood is that the incoming President Cristina Fernández de Kirchner will raise utility prices in agreement with the demands of the private corporations.

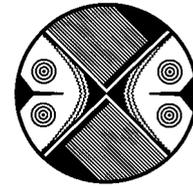
Likewise Kirchner sought to deal with rising expectations resulting from the boom in export earnings by imposing price controls and limiting the export of beef. Nevertheless while employment and wages increased, real rates of inflation of basic food items doubled (over 20% by 2007) leading to income stagnation and even deterioration.<sup>lvi</sup>

Despite the structural and policy continuities pursued by the Kirchner regime, it benefited from several factors operating independent of his policies.<sup>lvii</sup> In the first place the extremely favorable world market prices for all of Argentina's major exports led to budget surpluses and the government's ability to subsidize industry and grant pay raises. Secondly, the five-year economic depression preceding his presidency established a low base line from which it was easy to grow, given the vast underutilization of capacity and labor power. In other words, growth did not depend on large-scale, long-term new investments or technological innovations. Thirdly, the financial restraints on new loans imposed by overseas creditors actually forced Argentine capitalists and the state to rely on greater and better utilization of domestic resources. Fourthly, Kirchner smartly cultivated diplomatic relations with Venezuela's progressive President Chavez securing low-cost financing, based on Caracas purchase of several billion dollars in Argentine bonds and a lucrative market for industrial exports and profitable investment opportunities.<sup>lviii</sup>

Within the parameters of the neo-liberal structures and policy commitments, the Kirchner regime was successful in channeling public financing toward productive sectors and increasing tariffs on agro-exports to increase government revenues, while containing labor unrest through increases in the minimum wage.

The dynamic economic growth, the *stabilization* of Argentine politics, the *demobilization* of radical mass social opposition and the *consolidation* of elite foreign and domestic multi-national control over the economy were the major achievements of the Kirchner regime. None of these socio-economic results can be ascribed to 'center-left' policies or to pressure from the social movements.

The demise of the piquetero movement, the re-conversion of the urban slum activists into a vast patronage machine was evident in the election (2007) where elected President Cristina Fernández de Kirchner received absolute majorities in the populous barrios and the combined fragmented left parties, which initially led the piquetero movements received less than 5%.<sup>lix</sup> The results in Argentina (as in most other Latin American countries) disprove the facile impressionistic accounts by North American academic Mike Davis that 'the slums of the Third World are the new and decisive geopolitical scene.'<sup>lx</sup> On the contrary, as we shall describe further in our text, the



'urban slums' are more often the patronage base of the new breed of neo-liberal presidents in Brazil, Uruguay as well as in Argentina.

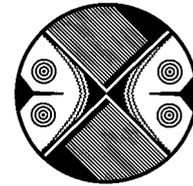
## Brazil

The most striking feature of Lula Da Silva's candidacy from even before its election was its open and frank embrace of the neo-liberal parameters established by the preceding Cardoso regime.<sup>lxi</sup> In the spring of 2002, 6 months before his election, Lula endorsed an IMF agreement signed by Cardoso, in which he pledged to uphold fiscal austerity, budget surpluses to pay the foreign debt, to reduce public sector pensions ('pension reform') and to promote an open economy.<sup>lxii</sup> For electoral purposes Lula made vague promises in favor of poverty reduction, land reform and job creation. In office Lula more than met his promises to local and international finance capital. Structurally, Lula retained and even extended the privatization process, including the illegal privatization of Vale de Doce mining complex (sold at one-tenth its market value by the corrupt Cardoso regime). Highways, banks, public lands, social security funds were privatized.<sup>lxiii</sup> Appointments to all the strategic economic positions (Central Bank, Ministries of Economy, Commerce, Finance and Agriculture) were given to executives from multi-national corporations and banks.<sup>lxiv</sup> During his first term of office, from 2003-2006, wages and salaries were frozen or held to minimum increases while local and international financiers benefited from the highest interest rates in Latin America - reaching 18.5% through most of his first term in office.<sup>lxv</sup> Land redistribution was far below previous regimes, while Lula channeled most financial resources and credits to the agro-mineral-energy-export capitalist elite.<sup>lxvi</sup> Lula became the 'surprise' poster boy of Wall Street and the BOVESPA (Brazilian Stock Market). The *structure* of landownership, income and wealth remained among the most unequal in the world. The racial divide continued unmodified. The number of landless rural workers remained at 4.5 million families. The number of millionaires and billionaires increased and their total wealth multiplied.<sup>lxvii</sup>

The structure and socio-economic strategies of the *past* were consolidated and deepened. Neo-liberal continuity defined the nature of the Brazilian social system under Lula.

At the policy level, Lula introduced several changes including a major reduction of pensions for public employees (which previous regimes were unable or unwilling to pursue).<sup>lxviii</sup> His regime financed a large-scale subsistence subsidy (\$30 dollars a month per family) to 10 million poor Brazilian families, creating a vast patronage network, dubbed 'poverty reduction program'.<sup>lxix</sup> Lula funded a subsidy to the MST-run co-operatives, facing financial problems due to the large-scale importation of cheap food while reducing financial support for land reform. Frequent 'populist' gestures, including photo-ops involving Presidential encounters with poor slum dwellers gained Lula a favorable image among the masses. The militarization of high-crime slum communities, including summary executions, was Lula's response to crime. Frequent military police interventions dislodging land squatters accompanied by the burning of their shantytowns caused injuries and occasional deaths to the homeless and landless but reassured landlords, loggers and land-speculators.<sup>lxx</sup>

In terms of social demobilization, Lula achieved his greatest success. The major leftist trade union confederation, CUT, was effectively co-opted and abided by his pension cuts and austerity programs. The MST was effectively politically neutralized (even as it



claimed autonomy) for the first 5 years of Lula's regime with a stream of broken promises involving unrealized land reform quotas, state subsidies to its failing co-opts and the appointment of a few MST leaders to powerless positions in the agrarian reform institute. The level of social mobilization between 2003-2006 declined to levels last seen before the advent of electoral politics. Despite a stagnant economy (2003-2005) and a deliberate 'supply side' economic strategy, the social movements were in retreat and decline. It was only in 2007 that the MST, CUT and other movements unified forces for joint mass demonstrations and protests.<sup>lxxi</sup>

In foreign policy, Lula pursued a free market strategy, which challenged the US to play by the rules of reciprocity in lowering subsidies and tariff barriers. In demanding free trade reciprocity, Lula gave evidence of the continuity of his policies with his predecessor and a relative independence by demanding the equal application of free trade rules for the US.<sup>lxxii</sup> Lula clearly sided with the US and EU in downplaying the role of imperialist exploitation. For example, at the Davos Forum of 2006, Lula blamed the leaders and policies of Third World countries for their problems, exonerating the US, EU and Japan.<sup>lxxiii</sup>

In terms of the maintenance of class structure and elite economic policy, Lula clearly identifies with the neo-liberal Right. His budgetary policies precluded any substantial, progressive modification in expenditures for social services. Lula's economic priorities did not include increasing wage income, land availability to the landless and financing health and educational facilities and salaries.

Under Lula's presidency the number of billionaires grew to 20 holding \$46.2 billion dollars in wealth and assets, a sum greater than 80 million urban and rural poor Brazilians. Over 60% of Brazil's billionaires made their fortunes through government contracts and privatizations of lucrative public enterprises before and during Lula's reign of power. The 'new' and 'old' billionaires profited from Lula's prompt payment of the growing internal as well as external debt payments. In 2007 along the foreign and domestic elites collected \$160 billion Reales (1.7 Reales to 1 US dollar) -59 times what was spent on education. Lula, over his first 5 years in power (2003-2007), paid out nearly \$800 billion reales to the debt holder elite, over 4 times what he distributed to 40 million impoverished Brazilians through his anti-poverty program.<sup>lxxiv</sup>

The poverty-reduction programs neither provided decent paying jobs nor raised living standards beyond the subsistence level at a time when government revenues and budget surpluses were in excess of \$50 billion dollars. Instead the poverty reduction program was administered by government functionaries who were members of Lula's party (Workers Party) and who ensured that recipients voted for Lula. In a political and not a social sense, the program was a success ensuring Lula a 70-80% vote in some areas of high concentration of poverty financing.

The MST policy of supporting Lula's candidacy in the hopes of securing a comprehensive or even moderately expansive land reform program was a failure. Land distribution covered only a fraction -less than one-third of that envisioned by MST leaders. Government credits and export subsidies went overwhelmingly toward big plantation owners, while small farmers were driven into bankruptcy by Lula's liberal food import policies. By waiting on Lula, the MST failed to support public employee unions striking against Lula's pension reductions. In other words, the MST's *political* strategy between 2003-2006 was a dismal failure; it sacrificed ties to the urban trade union struggles without securing benefits from its ally, Lula.

Nevertheless throughout the same period, the MST continued to organize land occupations and mass protests for land reform. The MST, through its daily struggles,



retained its mass base and supporters as evidenced by the 17,000 delegates who attended its national convention in 2007.<sup>lxxv</sup> More important, by 2007 the MST leadership joined forces with anti-Lula leftist trade unions (CONLUTA) and the pro-Lula Confederation (CUT) in three mass protests, signaling a greater degree of political independence and a rectification of its previous conciliatory policies.<sup>lxxvi</sup> MST leaders, it seems, have seen the futility of aligning themselves with a 'center-left' regime like Lula.

## Bolivia

In the course of two and a half years (2005-2008), Bolivia went from an insurrectionary period in which the revolutionary social movements dominated and defined the political agenda to a period in which the far right has launched a major political offensive disarticulating the Constituent Assembly, dominating the government and streets in six of nine provinces and forcing the center-left MAS regime into abject retreat abandoning almost all of its socio-economic electoral pledges.<sup>lxxvii</sup>

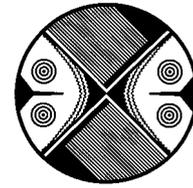
The abrupt and profound change in the correlation of forces between the social movements and the oligarchy can largely be found in the policies and practices of the center-left regime of President Evo Morales and his Vice President Garcia Linera. The return of the right from a marginalized, frightened and defeated force to a powerful, aggressive and advancing political machine came about largely as a result of several decisive and self-defeating policies imposed by Evo Morales-Garcia Linera (EM-GL) on the social movements via their socio-political apparatus.

In the first place, the MAS regime succeeded in channeling politics into state institutional channels, namely the electoral, parliamentary and executive branches, thus undermining the social movements' direct action tactics, their most effective instrument of political influence.<sup>lxxviii</sup>

Secondly, the EM-GL team radically redefined and distorted several of the major popular political and socio-economic demands to accommodate the interests of the oligarchy and foreign capital.<sup>lxxix</sup> Formal pacts and working agreements between the Morales regime and the oligarchy directly led to the rapid reconstruction of the far right and the demobilization and strategic weakening of the social movements. These radical policy changes can be briefly summarized.

### Constituent Assembly: From Popular Power to Oligarchic Revanchism

One of the fundamental political demands of the revolutionary social movements, throughout the insurrectionary period (February 2003 to June 2005) was the convocation of a Constituent Assembly whose members would be based on direct election of representatives from the social movements, Indian communities and rural-urban poor. EM-GL totally perverted this demand.<sup>lxxx</sup> In a formal agreement with the discredited oligarchic party bosses, EM-GL organized elections based on existing territorial units, in which the far-right parties would secure ample representation to block any radical changes through their powerful patronage machines and control over 90% of the mass media.<sup>lxxxi</sup> In the pre-Assembly negotiations, EM-GL conceded to the Oligarchy a voting clause in which a two-thirds vote was necessary to approve any article of the Constitution. Later when the right entered the Assembly in substantial numbers to block any and all substantive changes or even procedural reforms, Morales/Garcia Linera tried to introduce a simple majority rule but were powerless to

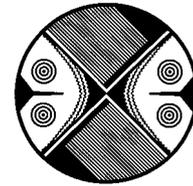


even affect the functioning of the Assembly.<sup>lxxxii</sup> After almost a year and a half of paralysis, not a single substantive article was approved; the social movements had lost all hope of 're-founding' the state and securing significant social changes.<sup>lxxxiii</sup> The Right utilized the dysfunctional state of the Assembly to organize mass street demonstrations and to establish powerful 'civic networks', dominated by separatist oligarchs and their paramilitary forces to promote a largely rightist agenda.<sup>lxxxiv</sup> Vice President Garcia Linera effectively recognized the total debacle of the Constituent Assembly, by convoking a Pluri-Party Conference involving the government party MAS (Movement to Socialism) and all the far right parties, business and oligarch elites to resolved their differences.<sup>lxxxv</sup> In other works, EM-GL went from one failed political pact with the oligarchy to another -with the same disastrous results: As could be expected, the oligarchy and the right saw the marginalization of the Assembly as a victory and used the new format to push their class agenda even more aggressively, in effect demanding total surrender on all the major issues including agro-business, land-holding in illegal occupied public lands, separatism (dubbed 'autonomy') including total provincial control over tax and royalty revenues, and greater provincial control over social and economic policies. The pluri-party proposal quickly led to an ignoble end, like the Constituent Assembly before it, but not before further strengthening the right, demoralizing the popular classes and demonstrating the bankruptcy of EM-GL policies of political pacts with oligarchic parties. Lacking even elementary physical security in Sucre, the Constituent Assembly first fled to a military installation and then moved to Oruro where the Assembly was protected by the mineworkers and approved a contradictory and ambiguous constitution.<sup>lxxxvi</sup>

The new constitution is subject to voter approval in a referendum. The major clauses are a hodgepodge of 'centralist' and 'autonomous' clauses, which both increase federal power and potentially fragment the country into between 30 to 60 'Indian nations' and right-wing regionalist regimes. While declaring the sanctity of private property, the Constitution claims to limit land ownership to 25,000 acres per person, implying the possibilities of some sort of 'land reform' (most of which would be obviated by putting titles in the names of extended family members.) The Constitution claims state ownership of all sub-soil rights without negating all the big mining, gas and oil companies' claims to all the underground reserves in their stock market quotations. The Constitution reflects the deep contradictory ideology and policies of the EM-GL regime, which proclaims radical changes and implements a liberal agenda.

### Ideology

Underlying the disastrous political pacts, tactics and strategies of the Morales regime was the ideology of 'Andean capitalism' based on the idea of protecting private property (which included the 1% agro-business elite owning 80% of the fertile lands), joint ventures with big natural resource exploiting foreign multi-nationals and community-based small scale Indian peasants. To sustain the capitalist economic project, EM-GL necessitated the collaboration and support of the oligarchic right-wing parties -which led directly to the infamous and fatal signing of the political pacts which totally undermined the activities and dynamic of the social movements. The 'indianismo; and 'defense of the Indian communities' rhetoric that was ritually mouthed by both leaders was belied in practice as their oligarchic would-be partners ruthlessly crushed dissent in their economic stronghold in Santa Cruz.



## Indigenism

The second major component of EM-GL ideology was indigenous and local political autonomy. The ideology of '*indigenismo*' varies in meaning and usage according to its exponent and political purpose. In Bolivia today, EM-GL speak of '*indigenismo*' with several contradictory and confusing meanings depending on the political moment and place. The principle emphasis is on cultural and political rights –acknowledgment of legal equality, respect of Indian cultural norms and juridical practices and recognition of the right to self-government and autonomy by the 39 to 60 (depending on the NGO/anthropologists) 'Indian nations'.

The EM-GL have emphasized the 'cultural' and 'democratic' character of their 'revolution' –denying any pretext of transforming property and relations or expropriating foreign capital or the 25 million hectares owned Bolivia's agri-business-financial ruling class. The recognition of several dozen 'Indian nations' implies the total fragmentation of Bolivia into a chain of unsustainable mini-states –if *indigenismo* ideology were put in practice. Needless to say, EM-GL have no intention of putting into practice Indian 'self-determination' –it is an ideological assertion devoid of *economic foundations* and practical policy. Without a fundamental redistribution of land, a profound agrarian reform transferring land from the 100 clans to 2 million landless Indians, which EM-GL have categorically rejected, the Indian population has no economic basis to assert self-determination.

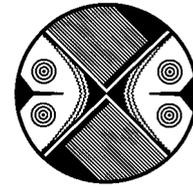
Even worse, EM-GL's '*indigenista*' ideology's emphasis on local *autonomy* (Department, county and municipal), has been seized by the right-wing oligarchical ruling class in six departments (the 'media luna' or 'half-moon') as a pretext to launch a successful *de jure* as well as *de facto* secession movement, taking over most of the most mineral and energy rich regions of Bolivia. In response, EM-GL have backtracked and re-asserted the supremacy of the central state government and its total control over export revenues, civil authority and legislative power.

The '*indigenista*' ideology has had little or no impact on income and property inequalities, contracts with foreign multi-national corporations, budget expenditures and revenues. Indian holidays and religious celebrations have been funded by the regime and the 'Indian' ideology has given some popular legitimacy to the basically mestizo-European political class which runs the regime.

## Nationalization

The MAS regime's immorality and betrayal of the hopes and aspirations of the revolutionary social movements and their political sacrifices is most clearly evident in the regime's total abandonment of the nationalization of energy and other prime material resources. *Not a single oil well or gas-line was nationalized* despite the repeated shrill double talk of Morales who claimed that 'nationalization was not expropriation'.<sup>lxxxvii</sup> Of course the continuation of foreign ownership and control of policy-making was not expropriation but neither was it 'nationalization' as all experts, economists, politicians, journalists and academics use the term.

Morales and Garcia Linera simply increased royalty and tax payments up to levels of those of most Western capitalist countries and far below the rates in the Middle East, Asia and parts of Africa.<sup>lxxxviii</sup> Even worse the upward price adjustment on the sale of gas to Brazil and Argentina were still below world prices by at least a third or half. Having achieved lucrative and profitably long-term contracts,<sup>lxxxix</sup> Brazil's Petrobras



and Argentina's Repsol decided to make new large-scale investments in exploiting Bolivian resources. In other words, EM-GL extended and deepened the de-nationalization of the economy at enormous cost to the working class and urban/rural poor, which saw little or nothing of the increased revenue.<sup>xc</sup>

In line with their pro-foreign capital policies, EM-GL signed an agreement with the East Indian multi-national Jindal to exploit one of the top three iron and manganese mines in Latin America.<sup>xcii</sup> The Mutun mountain range was de-nationalized, privatized and sold off at extremely favorable conditions to its new foreign owners. The proposed agreement to 'industrialize' the iron ore involved the minimal processing of ore into ingots and would take place after Jindal recovered its initial investment.

EM-GL have signed contracts with almost all the existing oligarchic and foreign extractive multi-nationals in Bolivia. Moreover it has added to its dependency on foreign capital by signing up new foreign exploiters. As of the beginning of 2008, forty-two foreign-owned gas and oil companies were exploiting Bolivian energy fields.<sup>xciii</sup>

Except for a couple of very marginal operations, the EM-GL regime has not nationalized a single foreign-owned mine, oil well or gas field. They did over-pay for two refineries owned by Petrobras. What is worse, the conditions of foreign ownership remain as unfavorable as ever. In almost all cases the Bolivian state remains as a *minority* partner, with little influence over investment, production and marketing decisions.<sup>xciii</sup> Secondly the foreign owners obtain subsidized loans from the Bolivian state, averaging 3%, to finance current expenses. In contrast, the Bolivian state borrows at 8% from the Andean Bank. The foreign firms receive gas at subsidized prices.<sup>xciv</sup> While neighboring state and private mineral enterprises are investing heavily in downstream industrial and manufacturing industries in Bolivia, the foreign extractive firms have failed to fulfill their commitments or have endlessly postponed any large-scale projects. The EM-GL regime failed to enforce or bring to fruition old or new agreements and have not initiated a single large-scale industrial project: they have confirmed Bolivia's colonial style economy.<sup>xcv</sup>

The list of foreign extractive multinationals with a dominant influence in the Bolivian economy include Petrobras (Brazil), Repsol (Spain), Transredes (Enron-Shell), Jindal (India), Total (France), British Gas, Apex Silver (USA), Sumitomo (Japan), Ashmore (Great Britain), British Petroleum and dozens of other major firms, which continue to reap several billion dollars between 2006-2008.<sup>xcvi</sup> In all 42 foreign MNCs dominate Bolivia's gas and oil industries –one of the highest number in the entire world.

A strong argument can be made that the Bolivian government signed off more exploitation contracts with more foreign owned petrol, mining and gas multinational corporations under corporate-friendly terms in the two years since it came to power than any other country in Latin America. The fact that most of new contracts involve the export of raw material means an absence of energy resources for developing Bolivia's internal consumption and generating industrial and commercial employment.

### Agrarian Reform

After two years in office and despite repeated demagogic promises to the Indian and peasant communities, EM and GL had totally failed to implement any substantial land reform, least of all the fertile, market accessible and productive lands of the biggest and richest oligarchs and agro-exporters.<sup>xcvii</sup> On the contrary, the regime, from the beginning gave categorical guarantees that it would defend the 'productive producers'



no matter the size of their holdings, some running well over a million acres. Massive landlessness and 70% poverty levels continued as in the past among the regimes rural electoral followers. Morales and Garcia Linera thundered about 'expropriating unproductive and illegal holdings' (public lands seized and occupied by landlords), but as of the end of 2007, little land had been re-distributed.

According to a study published by the United Nations Development Program (PNUD), one hundred extended families own 25 million hectares of the most fertile land while 2 million farmers and subsistence peasants own 5 million over-exploited hectares.<sup>xcviii</sup> In the key state of Santa Cruz, according to the Government's own National Institute of Agrarian Reform (INRA), 15 extended families (clans) own 500,000 hectares (2.4 acres to a hectare) or 1.2 million acres of fertile lands adjoining local markets and transport centers.<sup>xcix</sup>

The powerful '100 biggest land-owning clans' are the owners, major share-holders and sit on the board of directors of Bolivia's principle banks, television stations, packing houses, food processing industries, super-markets and foreign trading houses.<sup>c</sup>

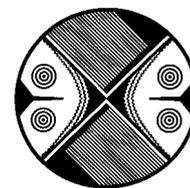
In the state of Beni, 10 families own 534 thousand hectares. In Pando, 8 families own a million hectares of fertile land. This family-clan-oligarchic power structure extends far beyond the economic realm.<sup>ci</sup> Clan members' occupy key positions in the top judicial, administrative, military, mass media and civil institutions.

The EM-GL regime has repeatedly *guaranteed the sanctity* of the oligarchy's property, as well as their stranglehold over public credit (80% goes to the agro-export elite). With government economic backing, the oligarchy dominates the political machinery and uses it to intimidate and frequently assault supporters of the Morales regime with impunity. As a result, the oligarchy has tightened its vice-like grip over the 5 major eastern states of Bolivia. By force, intimidation and persuasion, the oligarchy has hegemony over the lower classes in their regions. Instead of confronting the oligarchy, Morales has sought to recruit them. In Pando, he offered a leading oligarch, Governor Fernandez, a position in his government. Governor Fernandez refused, as he had no desire to have anything to do with the 'indios'.<sup>cii</sup>

### Income and Fiscal Policy

The 'structural economic policies' engineered by Morales deepened the power and wealth of the oligarchy and foreign capital. The socio-economic policies of the regimes failed to raise living standards. In his election campaign of 2005, Morales promised to double the minimum wage and substantially raise the wages of workers and salaries of teachers and health workers. Given the massive increase of public revenues because of extraordinary world market prices for Bolivian energy and metal exports, the regime was in a position to finance substantial increases for the poorly paid public and private sector workers. Nothing of the sort happened. The minimum wage for 2008 was raised 10% from \$70 to \$76 dollars a month.<sup>ciii</sup> With the current 11% rate of inflation, the real increase was \$1 dollar a month, by far the lowest minimum wage in Latin America, at a time of Bolivia's greatest accumulation of foreign reserves (\$5 billion dollars sitting in the vaults of the Central Bank).<sup>civ</sup> Even worst, public teachers and medical workers were granted a 6% salary increase – a real decrease – factoring in inflation. This was at a time when the agro-business oligarchy and foreign-owned energy and petrol companies were reaping record profits.

The EM-GL 'center-left' regime has had a severely negative effect on the organization and activity of the social movements. It has strengthened and increased the



institutional power of the right-wing parties and powerfully entrenched foreign capital in all the strategic sectors of the economy. Policy-wise, the income policies of the previous discredited, neo-liberal regimes remains intact, and poorly funded ameliorative programs have made little impact on living standards of Indians, workers and public employees.

Morales-Garcia Linera's orthodox IMF fiscal policy and their manipulation of *indigenista* symbols is wearing thin for growing sectors of the working class, low paid public employees (teachers, health workers), small and medium size transport and mine owners, university students and professors and municipal governments and governors. Work stoppages, strikes, road blockades, civic protests have multiplied with regard to the decline in real salaries among public school teachers, hospital personnel, doctors, nurses, truckers, co-op miners and others. Morales responded to striking public employees through pay deductions<sup>cv</sup>, repression against striking miners in Oruro<sup>cvii</sup> and using executive decrees. EM-GL's double discourse has led to some ugly confrontations within and among their original supporters. For example, in pursuit of the vote of pensioners, Morales raised payments and lowered the age of retirement –a commendable measure. However, instead of drawing on the surplus of foreign reserves, Morales transferred 30% of the revenues accruing to municipal and state governments and universities from a hydrocarbon tax to finance the added costs of pensions, provoking massive civic protests. Even worse, Morales' Minister of Mines, who drew support from co-operative miners (small and medium enterprises) decided to co-operatize a large unionized mine, to the detriment of working class miners. An armed confrontation took place in which scores of miners were wounded and over two dozen were killed. As a result, Morales nationalized the mine, pacifying the mineworkers and alienating the cooperative miners. Morales has adopted the tactic of threatening striking public workers with reprisals from his peasant-Indian loyalists who form the lowest sector of his electoral patronage machine. Despite his embrace of the IMF fiscal policies, expansion of foreign private exploitation of Bolivia's raw materials and his subsidies to agri-business, the rising prices of agro-energy-metals exports has allowed the regime to maintain its mass patronage machine and subsidies to 'popular' Indian and trade union leaders. Independent class action is sporadic; the right largely controls civic action and no viable political alternative on the Left is presently on the horizon, especially as the Morales-rightwing oligarchic political confrontation deepens.

Despite rhetorical anti-imperialist phrases ('partners not bosses'), EM-GL have strengthened and expanded the presence of multinational corporations in all strategic raw material sectors, repeatedly supported a Bolivian military contingent occupying Haiti at the service of the White House, and retained US military bases and drug enforcement (DEA) operations.

## Ecuador

The spectacular decade-long rise and abrupt decline of the Indian-based CONAIE movement is intimately related to its political tactics and strategies. The period of ascent during 1990-2002, was characterized by grass-roots organizing, independent movement-led direct action, including road blockages, seizures of government buildings, general strikes and a briefly successful uprisings leading to the occupation of the Presidential Palace (2000).<sup>cviii</sup> The period of decline began with the formation of



an electoral party (Pachacuti), electoral alliances with opportunistic politicians and entry into ministries of a neo-liberal regime (Lucio Gutierrez 2003-2005) and their eventual discrediting. By the end of 2003, CONAIE, the leading Indian movement in Latin America was in total disarray and many of its leaders had been discredited or co-opted, abandoned by many of its rank and file. Pachacuti (CONAIE's political instrument) allied with neo-liberal President Lucio Gutierrez, held the ministries (of Foreign Affairs and Agriculture) until they were ousted or forced to resign. The harsh, repressive socio-economic and political decrees of the Gutierrez regime, and the continued presence of Pachacuti and CONAIE as government ministers and functionaries disillusioned CONAIE's Indian supporters.<sup>cviii</sup> In the subsequent popular resistance and massive movement leading to the overthrow of Gutierrez in 2005, CONAIE played a marginal role. With the rise of President elect Rafael Correa in 2007, and the election of a new constituent assembly, CONAIE played a marginal role at best or at worst, opposed Correa's candidacy. Correa easily won the Presidency with a 52% vote and his referendum calling for a constituent assembly, secured 72% of the popular vote.<sup>cix</sup> CONAIE- Pachacuti candidates to the Constituent Assembly garnered less than 5% of the vote, while the pro-Correa candidates secured over 70%. The presidential candidate of CONAIE, its secretary-general Luis Macas got 2% of the vote.<sup>cx</sup>

Clearly the demise of CONAIE is directly related to the opportunistic politics of many of its leaders. Some of its leaders and members were upwardly mobile lower-middle class professionals who were leaders of NGO's, funded by the World Bank and other agencies of the Empire. The mistake of most analysts of CONAIE and social movements in general is their view of the Indian-peasant movements as socially homogenous organizations in which evident class distinctions are buried under ethnic-identity homogeneity. Our interviews and field observations in Ecuador in the period 2002-2007, revealed sharp class differences, with strategic ideological and political consequences.<sup>cxii</sup>

CONAIE and even more so Pachacuti included transport owners, business intermediaries, lawyers, social workers, foreign-funded NGO operatives, academic consultants, as well as middle peasants and farmers who employed poor peasants and landless rural workers as sharecroppers and wage laborers. These class differences were reproduced in the cooperatives, community organizations and the local and regional leadership of CONAIE and Pachacuti. Divergent class positions and exploitative relations within the Indian 'communities' led to opposing class interests. These divergent class interests were obscured by Indian cultural identities elaborated by 'indigenista' (identity-centered) academics and ideologues who attached themselves to CONAIE and Pachacuti.<sup>cxiii</sup> In practice these leaders subordinated the movement to their drive for upward mobility and ties to the business elite. The 'Indian' elite saw in the Gutierrez regime an opportunity to gain influence for their class segment of the Indian community through access to public funds and cheap loans, credit and political patronage. This is evident in Pachacuti leaders retaining positions in the Gutierrez regime even as their mass base was being repressed and denied any influence or benefits from the regime.

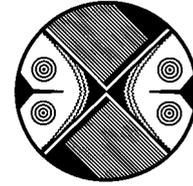
The virtual extinction of Pachacuti by 2007, the slow, painful re-composition of CONAIE, and its very marginal role in the new constituent assembly, is ironic, as one of their main demands throughout its rise to power in the 1990's was precisely a new constitution with plenary powers.<sup>cxiii</sup>



President Rafael Correa's appeal is largely vested in his abolition of the venal elite-controlled Congress, his convocation of a new Constituent Assembly and his populist socio-economic measures, favoring different sectors of the urban and rural poor. His revocation of Occidental Petroleum's oil exploitation contract evoked support from nationalist sectors, as did his setting up a commission of independent internal auditors to examine the foreign debt to determine whether the debt was legally or illegally contracted.<sup>cxiv</sup>

In terms of structural change, Correa has no plans to nationalize foreign oil companies, but he has slapped them with an excess profit tax of 99% which should add close to \$800 million to the government treasure.<sup>cxv</sup> While tossing out Occidental Petroleum, Correa has not applied the same norms against the Brazilian multinational energy giant, Petrobras for the same offenses.<sup>cxvi</sup> President Correa has build a mass urban following, especially in Quito, has strong support in the Indian highlands and has a two-thirds majority in the Constituent Assembly writing a new constitution. With plentiful revenues from high oil prices, and 46.2% state ownership of the oil industry, Correa is in a position to pursue a relatively independent position from Washington. Nevertheless his policies are following a balancing act between the White House and Caracas. It should be noted that 15 foreign multi-nationals still exploit 53.8% of its oil and have continued to expand their areas of exploitation<sup>cxvii</sup>.

President Correa's approach to his social reform agenda, constitutional assembly and constitutional transformation vastly differs from the disastrous approach taken in Bolivia by Evo Morales. Correa has skillfully used Presidential powers to pass or decree changes, promoted popular social reforms prior to the constitutional referendum and election, securing a large majority. Subsequently Correa and the newly elected Constituent Assembly assumed legislative powers and dissolved Congress <sup>cxviii</sup>, mobilized its supporters and state resources and legal measures to undermine and neutralize regionalist attempts by the coastal elite to paralyze or undermine his Presidency and the Constitutional Assembly. As a result of the additional \$840 million dollars in excess profits taxes -ar superior to any measure proposed by Bolivia- Correa can finance his program of piece-meal reforms. Correa has signed off on a series of important trade and investment with Argentina<sup>cxix</sup> and a large-scale joint agreement with Venezuela's state oil company to build a major refinery.<sup>cxx</sup> In contrast, President Correa has refused to take sides in the Colombian-Venezuelan dispute, cooperated with the US on numerous anti-narcotics programs, including extensive presence of US military and DEA operatives. While increasing oil revenues, Correa has not repudiated any of the illegal foreign debt despite election promises to the contrary.<sup>cxxi</sup> He has maintained the dollarization of the economy and has backed large mining companies contaminating the environment against protests by local Indian communities.<sup>cxxii</sup> His Cabinet particularly his Economy, Finance and Energy Ministers are decidedly moderate neo-liberals (Bustamante, Dávalos, Parejo) even though the President of the Constituent Assembly, Alberto Acosta and the new head of Petro-Ecuador, Admiral Homero Arellano, represent the nationalist tendency in the Government. Pressures from private oil intermediaries, contractors and related gas importers however still control \$9.5 billion dollars of the \$13.5 billion dollars in oil revenues.<sup>cxxiii</sup>



## Venezuela

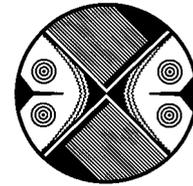
The most extensive and influential network of radical social movements is found in Venezuela. Several million Venezuelans are active in civil society organizations, promoted and supported from 'above' by President Chavez and 'below' through local activists pushing for greater influence in social spending, productive investments and national and internal security (against right-wing civic-military coup plots).<sup>cxv</sup> The dichotomy and distinction that several center-left ideologues and academics and self-styled 'Marxists' make between mass organization from 'above' and 'below' is simplistic and fails to capture the dynamic social processes of social movement growth and transformation in Venezuela.<sup>cxvi</sup> For example, the most important social mobilization and movement was the multi-million people's march, which defeated the right-wing military coup of April 11, 2002 and restored President Chavez to power in 48 hours. Out of this benchmark, spontaneous, locally organized mobilizations from below came the mass worker takeover of strategic energy enterprises during the bosses lock-out in the oil and related industries between December 2002 to February 2003.<sup>cxvii</sup> Out of these mass movements from below, the Government ('from above') financed and sponsored the movements for co-operative and small-scale production, literacy and health brigades, movements for food kitchens for the indigent, and grass roots electoral committees to re-elect Chavez and defeat a right-wing sponsored referendum.<sup>cxviii</sup> Some of the grass roots social movements having accomplished their immediate goals (restoring President Chavez to office and the oil industry to production) ebbed or melded with other social movements from 'below' -like the founding of a new trade union confederation and 'from above' in the form of production cooperatives.

Many social movements started 'from above', took on a life of their own, developed their own social agendas and in some cases came into conflict with Chavista and opposition bureaucrats, federal and municipal officials and government ministers (of agriculture and labor, especially).<sup>cxviii</sup>

As a response to the conservative policies of elected and appointed Chavista officials and dilatory tactics of the opposition functionaries embedded in the public administration, Chavez ('from above') encouraged and stimulated new forms of direct local government as well as new grass roots initiatives ('from below') for greater local power.

Movement activists and progressive officials created thousands of local community (barrio) and communal (city-wide) councils, with varying degrees of social autonomy.<sup>cxix</sup> Several factories were expropriated by the State ('from above'), others were occupied and eventually taken over by workers ('from below') and 'self-managed.'<sup>cxx</sup> The independent class-based trade union confederation (UNT) was organized against the moribund bosses of the CIA-backed CTV. Within the UNT, two tendencies developed: One tendency, which claimed 'absolute autonomy' from the government, was in reality hostile to the government's initiatives, while the other tendency looked toward collaboration with the government.<sup>xxxi</sup> In any case, both tendencies have failed to organize the vast majority of non-unionized workers, and have done little to change labor legislation abolishing 'contract' or precarious employment.

Autonomous, but pro-Chavez, mass peasant movements (from below) led by the Ezequel Zamora movement expanded rapidly and demanded greater government action in accelerating the agrarian reform and security from the landlords' gunmen.<sup>xxxi</sup>



The government legalized the presence of tens of thousands of Colombian farm workers ('from above'), providing them with Venezuelan citizenship and protection under Venezuelan labor legislation. Many of these farm laborers subsequently joined autonomous peasant unions pressing for land reform ('from below').

President Chavez called for the formation of a movement of citizen militias ('from above') to complement the existing Armed Forces as part of a national security strategy (asymmetrical warfare) to counter a possible US invasion or a right-wing coup.<sup>xxxiii</sup> As the right-wing oligarchic political parties, employers' federations, private mass media and some ex-generals plotted to replace President Chavez and to block progressive constitutional amendments, citizen action groups emerged ('from below') to encourage greater reliance on citizen militias. Lacking coherent leadership, cadre and political education, the militia movement operates in a perfunctory fashion.

The Chavez government has called for a multi-million member new political party-movement ('from above') -the Unified Socialist Party of Venezuela, which has led to large-scale popular enlistment, and extensive debates and discussions of a political program ('from below'). The great majority of the 5 million party cardholders are neither active nor knowledgeable about social issues - let alone socialism.<sup>xxxiv</sup>

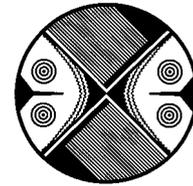
The dialectical process of movement formation, the rise and fall of spontaneous and state-promoted social organizations, the changes over time from state centered to autonomous social movements precludes the simplistic criticism of 'center-left' and ultra left ideologists who deny the legitimacy of pro-Chavez social movements.<sup>xxxv</sup>

Venezuela has not only witnessed the massive growth of social movements and one of the liveliest 'civil societies' in the world, but also the largest growth of right and far-right social movements in Latin America. Representing a minority of the population and largely the privileged classes, the right-wing social movements can be divided into constitutional and authoritarian terror-linked tendencies. The former have participated in electoral processes, especially when earlier extra-parliamentary efforts to overthrow the elected government failed. The far-right movements, which have dominated opposition politics in the lead up to and during the coup and bosses lockout and in the period prior to the December 2, 2007 referendum, count on US financing via the NED and NGOs like 'SUMATE'.<sup>xxxvi</sup> They have ties to former military officials who are in contact with some active officers seeking to violently overthrow the government. Their violent street fighting and vandalism is designed to destabilize the economy and shut down the transport of essential goods and undermine social services.

The historic success, both in sustainability, influence and substantive gains of the social movements in Venezuela are linked to their political ties with President Chavez's, democratic nationalist government, their relative autonomy of action and the radicalization of the political process in Venezuela (between 2006-2007).

The growth of the Venezuelan movements is based on successful political alliances, advanced social programs and the consequential leadership of Chavez. This stands in sharp contrast to the neo-liberal regimes of Lula, Evo Morales, Lucio Gutierrez and Kirchner, which embraced agro-mineral-export, financial and industrial elites and undermined the social movements.<sup>xxxvii</sup>

The theoretical issue raised by distinct performances of social movements, the success and growth and defeats and decline in the current decade is directly related to the issue of *political alliances and their consequences in terms of state power*. Center Left regimes have consistently undermined and demobilized social movements and demoralized their followers. Social movement leaders and cadres who tied the



movements to the Center-Left regimes have seen their movements decline, their influence weaken and their potential allies in other movements turn away.

Social movements, like those in Venezuela, which have been directly engaged in defeating the right and have retained autonomy have been instrumental in successfully pressuring for advanced social programs and greater social power, thus strengthening the movements and expanding membership.

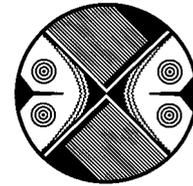
The Venezuelan political process is driven by two sets of contradictions. The most obvious is between the private owners of the means of production, distribution, communication and finance backed by the US imperialist state and the Chavista state, peasant and neighborhood social movements, trade unions, public enterprises, cooperatives and important productive and commercial sectors of the highly lucrative petroleum and gas industry.

The second contradiction runs deep within the Chavista political and social structure. This division pits 'centrist' high level state functionaries, including cabinet ministers, presidential advisers, governors, mayors and congressional officials and their followers against their 'leftist' counterparts in the regime and political structure, backed by radical leaders and activists in the trade unions, peasant and neighborhood councils.<sup>cxviii</sup> In basic terms, this internal conflict is an integral part of the larger class struggle over the direction and strategy of the Chavista government. The 'centrists' are oriented toward consolidating the status quo, by increasing ties with local and foreign capital, expanding the role of the market, loosening state controls over prices and capital movements, tighter fiscal control, enticing the center-right and its upper middle-class and capitalist backers into a multi-party alliance.<sup>cxvix</sup> The 'leftists' favor extending state ownership and regulation, increasing public spending, hastening the process of expropriation of big landed estates and factories, which are under-producing.<sup>cxl</sup> Outside of these organized tendencies are millions of mainly landless and property-less low-income Venezuelans, especially in the big city slums, who consistently vote and mobilize in favor of the Chavez initiatives and against the opposition, but who are not organizationally affiliated to the centrists or leftists.

At different moments, one or the other of the competing tendencies has greater influence over the President and the policy. In the early period of the Chavez Presidency (1999-2002), the centrists dominated the political process; most changes were confined to the political sphere and foreign policy. The left gained strength with the popular mobilization and the defeat of the military coup and the oil executives' lock out (2002-2006). The left gained strength in pursuit of policies promoting greater social spending and control over oil revenues as well as land reform and public ownership. The radicals in the mass movement, however, were able to secure only a limited space in the worker-control of public enterprises, land reform and no progress in the expropriation of key banking and productive enterprises.<sup>cxli</sup>

With Chavez re-election in 2006 and with oil prices nearing a \$100 a barrel and oil revenue filling government coffers, the left members of the Chavez government gained significant influence over policy, ideology and President Chavez. The 'centrist', while suffering a relative decline in influence, retained their positions in the political apparatus, opposing and resisting the socializing measures proposed by the ascendant left.<sup>cxlii</sup>

Paradoxically, as the left increased its programmatic influence at the top of the political structure, it also *marginalized* the radicals and mass movements from any effective voice in shaping policy. Worse still, the left promoted its vision of 'Twentieth Century Socialism' without linking it to the concrete struggles and demands of the urban poor



and working class. In other words, the left radicalized the political process, particularly in *promoting* a referendum on radical changes in the Constitution (December 2, 2007) while neglecting the struggle and demands of their mass electoral base in the urban slums.

Moreover the centrist Chavistas in strategic positions neither supported the leftist initiatives (some actually opposed the referendum, others voiced public attacks) nor acted to ameliorate the deterioration of living standards in the big city slums.

The Referendum of December 2, 2007 was both the high point of the Left and its subsequent decline. The left secured 49.4% of the vote in favor of amendments designed to transform and increase the power of the state to socialize production and land and vastly increase social security coverage of the population.<sup>cxliii</sup> The Right (aided and abetted by a wide array of forces ranging from the US Embassy to the bankers, mass media moguls to liberal students, social democratic professors to a variety of ultra-left Trotskyist sects), was able to mobilize and secure the vote of its traditional middle-class base (its vote barely exceeded its previous results) and added only 2% from the lower class. The biggest change in voting behavior was among the urban poor –over 3 million Chavez voters did not vote, demonstrating their discontent with the failures of both ‘centrist’ and ‘leftist’ political leaders in the Chavez movement.<sup>cxliii</sup>

Like many leftist policymakers and radical academics around the world, the Venezuelans completely underestimated the negative impact of inflation on their mass constituents. Inflation rose to 22% during 2007, while wages and salaries and income of the formal and informal workers stagnated.<sup>cxliv</sup> The left totally miscalculated the impact of the scarcity of essential consumer goods, and the black market and illegal price increases on the poor. The left fought and temporarily won the ideological battle at the ‘top’ but lost the political-economic battle at the ‘bottom’.

Even where the left recognized the problem of inflation, rising food costs and scarcity of basic consumer goods it was confined to imposing ineffective ‘controls’ while the fundamental productive and commercial institutions remained in the hands of their economic enemies on the Right. In addition the ineffective controls were administered by ‘centrist’ political governors, mayors and administrators. The leftists neglected or failed to raise wages and subsidies for the working class or to ensure tenure to millions of contingent workers to demonstrate that “Twentieth Century Socialism” was more than another ideology, and the referendum another ‘electoral chore’ to reaffirm a deteriorating status quo.

The ‘centrists’ advisers and influential people in and around the President’s office seized upon the defeat of the referendum. They pressed their advantage to secure programmatic, tactical-strategic and organizational changes. In what was generally perceived as a ‘purge of the left’ over a dozen cabinet ministers and secretaries and their advisers were replaced by ‘centrists’.<sup>cxlvi</sup> The ‘leftists’ were ‘demoted’ from making policy to drumming up support in the Party for the new ‘centrist’ policies.

Secondly, Chavez shifted from the left to the center; he called for a ‘slow down in the move to socialism’ which translated into increasing economic ties with the big bourgeoisie, eliminating any immediate moves to nationalize strategic economic enterprises and following arduous incremental procedures in reforming land tenure.<sup>cxlvii</sup>

Politically the turn to the center included seeking allies with the ‘middle class’ center-right parties, and winning them over through the elimination of price controls –allowing basic food prices to soar, while salaries remained stagnant.

The ‘contradiction’ inherent in the leftist formula of advancing socialism within the shell of capitalism was being resolved by the ‘centrists’ shelving social changes in favor of liberalizing economic policy. Instead of reaching downward to organize, politicize



and benefit the poor, the centrists are reaching upward to the bourgeoisie, seeking party alliances, 'depoliticizing' liberal economic policies (giving private concession a pseudo-technocratic appearance) and increasing *profit-making* opportunities. The December 2 Referendum and its defeat marks a clear break in Venezuelan politics – a set back for the Left, an opportunity for the 'Center' and an opening for the Right.

The Chavista movements, the urban slum dwellers, the mass of urban and rural poor, however, are not represented by either the Center or the Right; and they are divided in their degree of loyalties to the Left and the radicals. What is abundantly clear however is that the liberal measures proposed by the new centrist advisors are not designed to lessen discontent among the non-voting Chavista masses. More goods are now available but at prices the poor cannot afford. Inflation is still rampant and the anti-inflationary policies proposed by the centrists are the orthodox reactionary 'fiscal austerity programs' which reduce the living standards of the poor.

The policies of the influential centrists in the Chavez government are likely to fall between two stools: The middle class and business elites will accept all the concessions but retain their rightist loyalties; the urban poor will lose interest, abstain or resist the centrists and withdraw their loyalties. Already Chavez's decision to follow the Centrist line of 'class concessions' with the bourgeoisie has aroused misgivings, its decisions to grant amnesty to the coup makers and oil lock-out conspirators of 2002-2003 has aroused the indignation of the Chavist masses who suffered greatly from the \$10 billion dollar shortfall in the economy for over a year.

The shifts in Venezuelan policy between the 'center' and the 'left' raise fundamental questions about the long-term future of state-class movement relations even under President Chavez.

### **New Social Movements in New Settings (2005-2008)**

While some of the major social movements in Bolivia, Argentina, Brazil and Ecuador are stagnating or declining, new autonomous social movements have emerged in a new array of countries. The 'detonator' for the mass mobilizations varies from country to country: the socio-economic and political demands, social classes and depth and extent of the movements have important similarities and differences. In comparison to the earlier mass movements (1995-2003) the current organizations as yet lack the political influence and size of, for example, CONAIE between 1990-2002 or the MST between 1990-2002. The current movements are still on an upward trajectory, and have thus far avoided damaging alliances with 'center-left' electoral regimes and parties. They represent a robust opposition to the new wave of virulent neo-liberal regimes like those emerging in Peru and Costa Rica, as well as the established governing regimes in Chile, Colombia, Mexico, El Salvador and the Dominican Republic.

The complexity of expressions and organizational forms of the 'new social movements' post-2005 makes any sweeping generalizations a questionable proposition.

Mexico: With the sharp decline in influence and activity of the Chiapas-based Zapatista movement (EZLN) (guerrillas and communities), the center of movement activity shifted in two directions. A massive urban movement of dissident trade unions, barrio organizations and lower middle class public employees and citizens supported the candidacy of center-leftist Andres Manuel Lopez Obrador and protested the subsequent electoral fraud, which denied them victory. Immediately after the election, several million Mexicans were in the streets. However the 'center-leftist' politician



failed to convoke any decisive action, like a general strike and the movement eventually ebbed away.

In Costa Rica a broad coalition of trade unions, neighborhood organizations, small farmers, citizen and civic movements and progressive NGO's mobilized tens of thousands to reject a government referendum in favor of a free trade agreement (FTA) with the US in the fall of 2007.<sup>cxlix</sup> Despite the very narrow victory of the referendum, the anti-FTA movement retains its potency in the post-referendum period and continues massive campaigns against the privatization of public social services and enterprises.

In the presidential elections, the movement-based Citizens Action Party lost by 1% to rightwing President Arias in which the entire country was polarized on both the free trade issues, the welfare state versus neo-liberal model and socio-economic class issues. Equally significant, the linkages and coalitions formed between community and trade union groups continues after both the elections and the referendum, confronting each and every neo-liberal reform put forth by the Arias regime.

#### Peru

In mid-July and again in the first week of November (2007), tens of thousands of Peruvian workers, coca farmers, peasants, Indian communities, miners, some urban barrio organizations and especially public sector employees (teachers, health workers etc..) engaged in a general strike and marches throughout the main cities of Peru.<sup>cl</sup> In Lima, Arequipa, Trujillo, Iquitos, Ayacucho, Cusco and Chiclayo and scores of smaller towns and villages, peasants, Indians, workers and public employees protested 'Center-leftist' Alan Garcia's neo-liberal socio-economic policies, the free trade agreement with the US and the ecological damage to local economies perpetrated by corporate mining companies – signed on by the Garcia regime.<sup>cli</sup>

As in most of Latin America, enormous revenues flow into the Peruvian government's coffers. The record high world market prices of metals and the windfall profits of foreign mine-owners contrast with the stagnant incomes of factory workers and public employees and declining income of peasants and rural producers facing cheap imported food – especially American grain. Garcia, in compliance with the US DEA demands, accelerated the coca eradication programs against small farmers, which sustain over 500,000 families – augmenting discontent in the countryside.

The windfall revenues accumulated by the regime were an incitement for popular demands for higher wages and salaries to keep up with rising prices. According to a background paper published by the United States Department of State (July 7, 2007), Peru was growing at a rate of 8% in 2006 and at a similar rate for 2007 with over \$20 billion dollars in foreign reserves. The minimum wage was only \$156 USD per month, affecting 700,000 heads of families (3.5 million Peruvians) and did not keep up with the growing cost of basic goods. Public employees averaged \$312 USD a month – barely covering food and rent in Peru's major cities. With headline inflation ranging close to double digits, real income for wage earners and peasants was declining, while foreign-owned mines and oil interests were reaping profits in excess of 30% per annum.

The nationalist populist presidential campaign of Ollanta Humala politicized most of the provincial regions where he gained a majority of the votes, losing mainly because of his lack of support in Lima, including some of the large slum areas controlled by elite patronage machines. Nevertheless Humala received 47.5% of the national vote to



Garcia's 52.5% despite the uniform opposition of all the private mass media, business and traditional political parties.<sup>clii</sup> While there is some overlap between the programs and militants of Humala's party and the social movements, the latter retain organizational autonomy.

#### Colombia

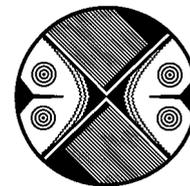
In Colombia mass popular movements, including urban trade unions, peasants and farmers organizations, public sector associations, popular neighborhood groups and human rights activists campaigned against Uribe's free trade agreements with the US, the privatization of public enterprises, social services and security.<sup>cliii</sup> The center-left political movement, the 'Democratic Pole' defeated most of Uribe-backed candidates in the municipal elections in 2007, including in the capital of Bogotá.<sup>cliv</sup> The Democratic Pole is a mixture of dissident liberals, human rights activists and social democrats. Stagnant incomes, unfair competition from highly subsidized US farm exports, savage regime-directed military repression, continued death squad assassinations and the documented long-standing ties of Uribe cabinet members with the death squads has fueled opposition movements.<sup>clv</sup> In addition, the rural-based guerrilla movements, the FARC and the ELN, continue to mobilize and organize clandestine networks of supporters and militias in the villages and the cities.<sup>clvi</sup> Uribe's political isolation in Latin America and Europe has increased because of his sabotage of the prisoner exchange negotiations initiated by President Chavez and French President Sarkozy.

#### **Chile**

Chile's foreign-owned mines reaped profits exceeding \$11 billion USD in 2005, \$16 billion USD in 2006 and estimates for 2007 are said to exceed \$20 billion USD, according to Chilean mining economists Orlando Caputo and Gracila Galarce,<sup>clvii</sup> and US Department of Commerce, December 2007). Despite huge windfall profits because of the extraordinary prices of copper (over seven thousand dollars a ton)<sup>clviii</sup>, unemployment and sub-employment affects one out of four workers, and sub-contracted workers represent over one-third of the mining workers.<sup>clix</sup> Chile retains the dubious title of holding its workers to the longest workweek - 48 hours, and festering the greatest inequalities in assets of any country in the Southern Cone of Latin America.

Past and present Chilean governments - especially the Center-Left regimes headed by nominal socialists - in their drive for foreign investment have consistently encroached on Indian lands and applied 'anti-terrorist' laws from the Pinochet era to jail, kill and injure scores of Mapuche protestors. The most consequential protests and solidarity movements revolve around Indian land claims and the holding of Mapuche political prisoners.

In 2008 the Mapuche communities and their movements have organized mass protests and hunger strikes over illegal occupation and usurpation of land by one of the most repressive anti-Indian regimes in Latin America, (the 'center-left' alliance of Socialists and Christian Democrats led by President Michelle Bachelet).<sup>clx</sup> Student demonstrations against the regime's retrograde university policies, trade union strikes especially by copper miners attempt to secure a fair share of the enormous profits of the private and state mining companies (2006-2007).<sup>clxi</sup> Chile's 'center-left' regime with its hard line on fiscal spending has confronted and repressed popular protests by mass transit users over the failed private transportation system.<sup>clxii</sup>



### Hispaniola: Dominican Republic and Haiti

Mass protests have repeatedly occurred in the Dominican Republic under the 'center-left' regime of Leonel Fernandez over wages, salaries, power outages, close US military ties, generalized corruption and increases in public utility charges.<sup>clxiii</sup>

The most vigorous politically oriented social movement in the Caribbean is found in Haiti, based on the urban slum dwellers movement in Port au Prince. Tens of thousands of urban poor have marched demanding the return of ousted President Bertrand Aristide and the immediate departure of the UN occupation army, led by the murderous military forces of center-left regimes of Latin America -- Brazil, Bolivia, Chile, Uruguay and Argentina.<sup>clxiv</sup> The 'Lavalas movement' in Haiti has demonstrated its tenacity and courage despite several bloody massacres (December 2006, February 2007) by the combined police and military of the neo-colonial Haitian and United Nations forces.<sup>clxv</sup>

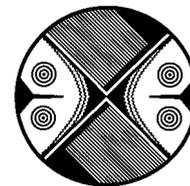
### **Conclusion**

The timing, location, duration and composition of the social movements in Latin America and their relations with center-left and leftist regimes vary enormously over the past two decades.

During the 1960's and early 1970's social movements brought to power several civilian and military left and center-left regimes in Chile, Argentina, Bolivia, Peru, Ecuador and Venezuela leading to structural changes (nationalization of mines, petrol and banks, agrarian reforms and income redistribution). Nevertheless the overthrow of these regimes by US-backed ruling class coups led to the precipitous collapse of the social movements. From the late 1970's to the early nineties, mass social movements developed in Central America linked to left governments (Nicaragua) and political organizations. These great advances however were detained and detoured by the electoral and 'centrist' turn of the political organizations and the Sandinista regime leading to the weakening of the social movements and the end of radical-reformist impulses. From the 1990's to early 2000, mass peasant, Indian and urban movements developed throughout Latin America (and - with the exception of Bolivia - without the backing of the established private sector trade unions). These movements overthrew neo-liberal electoral regimes and, more important, called into question the entire political institutional framework of party-parliamentary politics. Yet lacking an alternative political leadership, a conception of political representation and program of transformation, they succumbed to the current wave of center-left political parties and regimes. The result is the retreat of the movements (like the MST), the severe decline of some (CONAIE) and the regime co-optation of others (Cocaleros).

Major uprising and the deposition of leaders have taken place - but, apart from possibly Venezuela, no structural transformations have yet to be consummated.

The emergence of 'center-left' regimes has been the major obstacle and most effective force in undermining burgeoning movements, as witness the experiences in Argentina, Brazil, Ecuador and especially Bolivia. The center-left regimes have demobilized the masses, partially emptied the streets of autonomous movements and facilitated the re-emergence of the 'hard right' in the political institutions and in the streets. Today in Bolivia, it is the Right which successfully paralyzes the country with mass strikes, lockouts and barricades and which assaults representatives to the Constitutional Assembly with impunity. In contrast, the 'center-left' Morales-Garcia Linera regime



engages in sterile polemics, empty rhetorical threats and is busy signing away Bolivia's natural resources to multi-nationals from four continents.

With the relative decline of the rural Indian movements, the mass base of the current wave of social movements is overwhelmingly urban trade unions, supported by low-paid public employees, in large part because of the disparity between high economic growth (and profits) and stagnant wages. The marginalization of the formerly dynamic urban slum, Indian and peasant movements of the earlier period (1990-2003), at least in the case of Argentina, Brazil, Mexico, Ecuador and Bolivia is largely a product of asymmetrical alliances with nominal center-left regimes and the boom in international commodity prices. The tentative alliance between the lower middle class and the urban unemployed (*piqueteros*) in countries like Argentina and Bolivia has vanished.

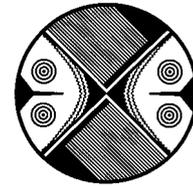
The rise and relative decline of the rural peasant-Indian based movements, their linkage and subsequent subordination to center-left regimes raises fundamental questions about their political independence and social autonomy and the existence of specific peasant class-consciousness. The seeming political independence and social autonomy of the 1990's was replaced in the 2000's by subordination to political patronage and clientele relations, co-optation of leaders and even political transactions with local landlords and traditional politicians.

The relation between social movement leaders and center-left electoral politicians was reversed: if in opposition the movement leaders led, dominated or shared power with the center-left politicians, when the latter came to power, the relation was reversed; the politicians dictated the parameters of political and social action and the social movement leaders adapted.

The new trade union-led movements are advancing to the degree that they have refused to ally themselves with the neo-liberal 'center-left' regimes. The only exceptions are the movements that cooperate with the democratic socialist Chavez government, which have made breakthroughs in terms of quantitative growth of membership even as they lack a clear political perspective for the future.

The rapid rise and decline of the cooperative movement and the formation of the new, unified Venezuelan United Socialist Party (PSUV) has pointed to fundamental weaknesses in the organized social and political base of the Chavez government and its strategy of socialist transformations. Billions were spent on tens of thousands of small-scale producer coops organized by urban, unskilled, marginalized poor, lacking organizational skills and operating in a capitalist economy. In many cases, the funds were stolen or locals went bankrupt. Likewise, 5 million recruits were signed up to the PSUV with little or any concern with programmatic knowledge or even adherence to simple principles. While urban *barrio* councils, independent peasant movements and special literacy and health brigades have flourished; quantitative gains in movements have yet to be translated into consequential class-conscious social movements.

Several factors have led to the rise and relative decline of the social movements in Venezuela. First and foremost is the lack of political cadre linked to mass struggles and capable of linking local discontent to political power. Secondly the Chavista state apparatus is largely inoperative, inefficient and plagued by hostile holdovers of previous regimes or latter-day Chavistas who are hostile to mass participation. Thirdly the government oscillates between subsidizing and promoting the private banking, agricultural, commercial and manufacturing elite and urging its followers to pursue social revolution. The result is a recalcitrant (to invest) hostile capitalist class engaged in overseas capitalist transfers and a mass of Chavista poor unable to take control over



the levers of economic power and thus frustrated by its day-to-day problems. Venezuela brings to high relief the ultimate restraints (and portents of failure) of operating within the political institutional constraints of a capitalist democracy.

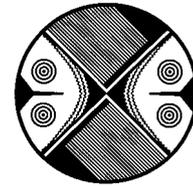
The precipitous decline in activity and influence of the urban 'slum movements' in Argentina and Bolivia, particularly in Buenos Aires and El Alto is clear. This is a good example of the lack of a national political program and leadership. These movements were largely born of economic crisis and highly repressive oligarchic regimes. With the subsequent ascent of center-left regimes and the cooption of neighborhood leaders, these urban movements lost their dynamism and have been reduced to everyday struggle for local improvements. Elsewhere the urban slum dwellers have continued to be controlled by traditional patronage-based municipal politicians at the local or national level, as in the case in Brazil through the Workers Party-state apparatus and its 'poverty programs'.

The newest wave of movements and mass struggles has focused much more on immediate economic demands than the older movements, which fought for structural changes up to, and including the overthrow of neo-liberal regimes. Factory occupation and land occupation movements of the 1990's and early 2000's have substantially declined except perhaps in Venezuela. The emphasis of the new movements has attacked the free trade agreements and the reactionary structural changes that are envisioned by the pro-imperial regimes. The major political confrontation unifying the movements from public employees to trade unionist and farmers to peasants is the struggle against the free trade agreements being imposed by Washington and the agro-mineral export elites.

The most salient factor leading to the demise of urban radicalism and the rise of 'economism' among trade unions and neighborhood movement is the high rate of growth in the agro-mineral-energy exporting countries. The result has been generally a decline of unemployment and increases in government spending. That, combined with the co-option by middle class-led regimes, has focused movement attention toward getting a bigger share of the super-profits and revenues of the center left regimes.

Whether the free trade issue is expressed as 'globalization' by the NGOs or anti-imperialism by the trade unionists, this struggle has put President Chavez proposal for Latin American integration at the center of debate in the mass movements. The international integration issue has become a complex struggle between classes and states with Calderon of Mexico, Bachelet of Chile, Uribe of Colombia and Garcia of Peru heading up the supporters of free trade within the US Empire. Chavez of Venezuela, Raul Castro of Cuba, and Rafael Correa of Ecuador lead the way toward greater Latin American integration. Brazil, Argentina and Bolivia have rhetorically criticized the US free trade integration-subordination scheme, but in practice they pursue more limited forms of bilateral integration within MERCOSUR and Washington.

Our analysis clearly rejects the euphoric impressionistic accounts that find Latin America going through some kind of sweeping comprehensive radicalization based on an alliance of center-left regimes and social movements. These accounts are based on isolated facts taken out of context. These impressionistic generalizations are usually out of date before they are written. While they attract ill-informed readers and massage progressive political emotions, they are far from providing an accurate account of the complex dynamics of the region or more specifically the changing strength of the movements and their relations to neo-liberal center-left regimes.



The advocates of 'combining' electoral institutional politics (EIP) with social movement-street politics have failed to study several dimensions of this relationship, in addition to ignoring the practical experiences throughout Latin America of the past 50 years. The pertinent question is why social movements consistently lose out to EIP once the center-left takes over a regime? The answer is found in the shift in power relations. When the center-left electoralists are out of presidency, their main power resource is a large mass of mobilized people, which strengthens the position of the movements relative to the electoral politicians. Once the latter control the regime, the budget, public expenditures and promotions and public appointments, the center-left reverse the relation: the power resources are skewed in favor of the electoral politicians and the social movement leaders become dependent on the politicians.

Once ensconced in the executive and legislative branches of the state, the center-left politicians quickly adapt to the institutional norms of these capitalist institutions and their political practices. The modus operandi involve constant engagement with the business and banking elite, bourgeois political leaders, power brokers – all of which draw the center-left politicians closer to the capitalist class and distance them from the mass movements. The salaries, perks of office, unofficial and official expense accounts, secretaries and staff, chauffeurs and gardeners, mistresses or gigolos...create a 'new class consciousness' in which the upwardly mobile lower middle class, center-left electoral politicians take as their social referent the upper middle class. What the advocates of 'combined struggle' ignore is the highly important process of 're-socialization' of ex-insurgent politicians into the style and substance of capitalist politics and the dilution of any working class or peasant-Indian loyalties.

The recent political history of the results of social movements adopting electoral strategies, working within the framework of 'institutional politics' and aligning with center-left regimes has demonstrated, in almost every case, few positive reforms and numerous regressive outcomes. While elections may provide a forum to denounce and mobilize pressure on center-left regimes, it deflects the popular movements from relying on their most effective instruments of social reforms – namely direct action: land occupations, general strikes and urban uprisings.<sup>clxvi</sup>

Having interviewed and discussed with Latin American social movement leaders and militants-turned left and center-left electoral politicians for nearly a half century (from the 1960's to 2008), in countries as varied as Chile, Brazil, Uruguay, Dominican Republic, Argentina, Bolivia, Peru, Ecuador and El Salvador my principle conclusion is that their divorce from the programs and goals of the movements is not a 'moral flaw' ('a betrayal') but a result of the institutional nature of electoral politics and capitalist representative institutions, their internal 're-socialization' processes and their external linkage with the ruling class. No doubt, corruption and moral decay frequently accompany adaptation to parliamentary norms and transactions. But the underlying cause for political immorality is their integration into the capitalist milieu with its emphasis on upward mobility and deference to the wielders of economic power. Under circumstance of adaptation to the Right and business elite, the center-left politicians resort to demagoguery, patronage and corruption to retain their 'popular electoral base'. It is the rare and exceptional social movement leader of a government party who resigns his post in disagreement because of 'his' government's political transgressions (broken promises to the popular movements). It is even rarer to see a center-left politician return to the factory, field, school or hospital, trade union and movement to renew the class struggle. Parliamentary politics creates powerful spiritual



and material inducements, status and income that disallow the re-radicalization of ex-movement parliamentarians.

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<sup>i</sup> For a detailed account of the rise and decline of the social movements from the 1960s to 1970s see James Petras and Morris Morley, **US Hegemony Under Siege** (London: Verso 1990) especially Chapter 6 pp157-189. For an account of the resurgence of the social movements during the 1990's see James Petras, **The Left Strikes Back** (Boulder Colorado: Westview 1999) especially Chapter 2, pp.13-57.

<sup>ii</sup> For a detailed exposition of the period 2000-2005 see James Petras and Henry Veltmeyer, **Social Movements and State Power: Argentina, Brazil, Bolivia, Ecuador** (London: Pluto Press 2005)

<sup>iii</sup> For a sampling of exuberant and distorted leftist accounts of political developments, regimes and social movements, see Atilio Boron, "*La renovada presencia de la izquierda en la vida política latino-américa*", [www.rebellion.org](http://www.rebellion.org) 18-2-2005; Noam Chomsky "*Alternativas para América Latina*" [www.rebellion.org](http://www.rebellion.org) 15-1-2007 and "*Latino-américa declara su independencia*" [www.rebellion.org](http://www.rebellion.org) 12-10-2006; Heinz Dietrich "*Hugo Chavez, Raul Baduel, Raul Castro y el Bloque Regional de Poder Popular avanzan el Socialismo del Futuro*" [www.rebellion.org](http://www.rebellion.org) 2-8-2007; Boaventura de Sousa Santos, "*El Foro Social Mundial y la Izquierda Global*" (Lisbon: 2007); Emir Sader, "*La importancia de la Victoria de Lula para América Latina*" [www.rebellion.org](http://www.rebellion.org) 15-4-2005; Naomi Klein, "*América Latina: La Resistencia a la doctrina de choque*" [www.rebellion.org](http://www.rebellion.org) 27-11-2007; Raul Zibechi, "*El otro mundo es la 'adentro' de los movimientos*" [www.rebellion.org](http://www.rebellion.org) 26-7-2004.

<sup>iv</sup> A perusal of articles in the past issues of the **Socialist Register**, **Z Magazine**, **La Jornada**, **Brecha**, **New Left Review**, **Monthly Review**, **Nueva Sociedad**, **Le Monde Diplomatique**, and **NACLA** usually pursue the argument of 'new (left) winds blowing over Latin America'.

<sup>v</sup> A detailed empirical analysis can be found in Petras and Veltmeyer, **Social Movements and State Power**, opcit. Ch 2 and 4.

<sup>vi</sup> See the **World Bank Report** \_ (Washington D.C. 2006-2007); the **Economic Commission for Latin America Reports** 2003-2007 (Santiago, Chile).

<sup>vii</sup> See James Petras, "*The Metamorphosis of Latin America's Intellectuals*" in Petras and Morley, **US Hegemony Under Siege** opcit. ch 5 pp147-156. James Petras, "*Intellectuals: Marxist Critique of Post-Marxists*", in James Petras, **The Left Strikes Back**, opcit ch3 pp58-79.

<sup>viii</sup> Interviews with leaders of MST, November 2003 in Belém, Brazil; interviews with leaders of CONAIE, September 2007 in Quito, Ecuador; and interviews with leaders of piqueteros MTD Dario Santillon, April 2004, Buenos Aires, Argentina.

<sup>ix</sup> Roberto Michels, **Political Parties**, is the classic formulation.

<sup>x</sup> See Tom Brass brilliant theoretical essay, "*A World Which is Not Yet: Peasants, Civil Society and the State*", in **The Journal of Peasant Studies** vol 34, no 314 July/October 2007 pp582-664.

<sup>xi</sup> A further theoretical discussion can be found in "*Social Movements and the State: Political Power Dynamics in Latin America*", in Petras and Veltmeyer **Social Movements and the State** opcit ch 6.

<sup>xii</sup> The most exuberant exponent of this thesis is Heinz Dieterich, opcit.

<sup>xiii</sup> For an elaboration see Tom Brass, "*Latin American Peasants: New Paradigms for Old?*" in **The Journal of Peasant Studies** vol 29 No3/4 April/July 2002, pp1-40.

<sup>xiv</sup> For the specificities on the centrality of imperialism, see James Petras and Henry Veltmeyer, **Empire with Imperialism** (Zed/Fernwood: London/Halifax, Nova Scotia 2005) especially chapter 4, "*The Spoils of Empire: The US and Latin America*", pp52-69

<sup>xv</sup> For an elaboration of discussions of national budgetary priorities in the case of Brazil, see James Petras, **Brazil e Lula: Ano Zero** (Editora Edifurb: Blumenau SC, Brazil 2005).



- <sup>xvi</sup> For a discussion of regime and policy changes, see Henry Veltmeyer, James Petras and Steve Vieux, **Neoliberalism and Class Conflict in Latin America** (MacMillan: London 1997), especially chapter 2, "The Global and Local Dynamics of Latin American Development" pp9-56.
- <sup>xvii</sup> Veltmeyer and Petras, "Intellectuals in Uniform: The Selling of an Ideology" in **Neoliberalism and Class Conflict in Latin America** opcit pp93-110.
- <sup>xviii</sup> James Petras and Henry Veltmeyer, "The 'Development State' in Latin America: Whose Development?, Whose State?" **The Journal of Peasant Studies** vol 32 no3/4 July/October 2007 pp371-407.
- <sup>xix</sup> James Petras, **The Left Strikes Back** opcit
- <sup>xx</sup> *ibid.*
- <sup>xxi</sup> *ibid.*
- <sup>xxii</sup> James Petras and Henry Veltmeyer, "Are Latin American Peasant Movements Still a Force for Change? Some New Paradigms Revisited", **The Journal of Peasant Studies** vol 28, no 2, January 2001 pp83-118
- <sup>xxiii</sup> See James Petras and Henry Veltmeyer, **Social Movements and State Power: Argentina, Brazil, Bolivia and Ecuador** opcit
- <sup>xxiv</sup> op cit
- <sup>xxv</sup> see James Petras, **Brazil e Lula: Ano Zero** opcit Parte 3 pp 92-95 and **Social Movements and State Power**, pp 60-135.
- <sup>xxvi</sup> **Social Movements and State Power** opcit, especially chapter 2, "From Popular Rebellion to 'Normal Capitalism'", pp 28-60
- <sup>xxvii</sup> *ibid.* ch 4 "Social Movements and State Power in Ecuador", pp 136-174
- <sup>xxviii</sup> In Mexico the election of Fox, in Colombia Uribe represented a rise of the 'hard right' while the election of Lagos in Chile and Cardoso/Lula in Brazil represented the 'soft' neo-liberal right. All favored 'free market policies' all promoted large-scale, long-term privatization and all, except Lula, strongly favored the US-promoted Free Trade Areas of the Americas. Lula's reservations were based on the failure of the US to lower its farm tariffs and subsidies.
- <sup>xxix</sup> **Social Movements and State Power**, chapter 6
- <sup>xxx</sup> see Zibecki opcit and Dieterich opcit
- <sup>xxxi</sup> see Emir Sader opcit
- <sup>xxxii</sup> see Chomsky opcit
- <sup>xxxiii</sup> Boron opcit. Zibecki opcit
- <sup>xxxiv</sup> We modify the Marxist techno-economic concept 'combined and uneven development' to focus on the socio-economic class consequences of economic growth.
- <sup>xxxv</sup> Claudio Katz, "Las tendencias de la economía argentina", Parte I-IV [www.agenpress.info](http://www.agenpress.info) 16/1/2006
- <sup>xxxvi</sup> Andres Soliz Rada, "Entre petroleras y ONG", [www.agenpress.info](http://www.agenpress.info) 12/18/2007
- <sup>xxxvii</sup> By the end of 2007, the major Indian movements in Ecuador, CONAIE had severed ties with Lucio Gutierrez and had taken critical distance from Correa's center-left government. The MST joined in mass demonstrations against the Lula regime breaking five fruitless years of critical support. The CTA, the second largest trade union confederation in Argentina, continued in opposition to the Kirchner regime. Even where, as in Bolivia, the main trade union confederations (COB) and Indian organizations continued to support the Evo Morales regime, critical voices among mine workers unions, peasant leaders and urban barrio leaders were becoming commonplace, and major strikes occurred among public employees (teachers, health workers) transport workers and owners, as well as land occupations by frustrated landless peasants.
- <sup>xxxviii</sup> In Argentina, the piqueteros, factory occupations and unemployed workers movements were split over the issues of joining the Kirchner coalition, turning toward independent 'class politics' or simply focusing on local issues. In Ecuador, entire sectors of CONAIE split from the movement and turned toward local politics. In no case did the movements in the southern cone



or Brazil make any substantial gains from their experience with electoral alliances and experience in working from 'within institutional parameters'.

<sup>xxxix</sup> The most graphic example of 'political cost' of the MST's support for the Lula regime was evident in the sharp drop of support for its mass marches for agrarian reform. In the late 1990's over 100,000 Brazilians joined the MST in its demonstrations in Brasília; in 2007 less than 25,000 participated, four-fifths of those were MST militants.

<sup>xl</sup> An OCED report issued in 2007 described Latin American countries as experiencing an "economic bonanza", a theme reiterated at the XVII Ibero-American Summit (**La Jornada**, November 9, 2007). While OCED and its neo-liberal acolytes credited the liberalization policies, in fact growth crossed the ideological divide with both 'statist' and liberal economies growing. Moreover, the highest growth was in ('statist') Venezuela and the lowest in liberal Brazil. With agro-mineral export products doubling and tripling since 2002, it is clear that growth occurred despite, not because of, liberalization, especially in light of the liberal collapse of 1999-2001. The entire basis of Latin America's economic boom is based on fragile 'colonial style' trade structures which will be extremely vulnerable to the 2008 recession.

<sup>xli</sup> For a detailed account see Petras and Veltmeyer, *Social Movements and State Power*, chapter 2 *From Popular Rebellion to Normal Capitalism* pp28-60.

<sup>xlii</sup> *ibid*

<sup>xliii</sup> On Morales' sellout to agro-business see "La rebellion de los 100 clanes", [www.rebellion.com](http://www.rebellion.com) January 10, 2008. On IMF fiscal policy see "Record: reservas internacionales bordean los \$ US 5 billion", [hoybolivia.com](http://hoybolivia.com) August 17, 2007.

<sup>xliv</sup> Petras and Veltmeyer, **Social Movements and State Power** op cit

<sup>xlv</sup> Claudio Lozano, Ana Rameri and Tomás Raffo, "La cúpula empresaria argentina luego de la crisis 1997-2005", [www.argenpress.info](http://www.argenpress.info) November 27, 2007.

<sup>xlvi</sup> Lozano et al, *ibid*. Emilio Marín, "Con Nestor Kirchner siguió la extranjerización y seguro que Cristina le dará luz verde", **La Arena** December 2, 2007.

<sup>xlvii</sup> "Mas empresas Argentinas pasan a manos extranjeras" [accionpopularnacionalista@UBBI.com](mailto:accionpopularnacionalista@UBBI.com) October 13, 2007.

<sup>xlviii</sup> Claudio Lozano, Tomás Raffo and Ana Rameri, "La economía argentina es sinónimo de elevada concentración y extrema desigualdad", [www.argenpress.info](http://www.argenpress.info) October 31, 2007.

<sup>xlix</sup> Correspondence with Raul Godoy, Zanon factory leader, November 11, 2007. See his "A los compañeros y compañeras de fábricas y empresas recuperadas", November 21, 2007.

<sup>l</sup> See Lozano et al October 31, 2007. Also see **Consumer Research (COURÉ)**, "El 10% mas pobre de los Argentinos viven con 11 pesos al día. October 18, 2007.

<sup>li</sup> "El dueño de la tierra en la Argentina" [accionpopularnacionalista@UBBI.com](mailto:accionpopularnacionalista@UBBI.com)

<sup>lii</sup> Lozano et al, "Crecimiento y distribución durante el período 2003-2007" , , [www.argenpress.info](http://www.argenpress.info) October 31, 2007 .

<sup>liii</sup> "La impagable deuda externa argentina" , [www.accionpopularnacionalista@UBBI.com](mailto:accionpopularnacionalista@UBBI.com) August 29, 2007.

<sup>liv</sup> *Ibid*

<sup>lv</sup> Eduardo Lucita, "El futuro ya llegó" [www.argenpress.info](http://www.argenpress.info) February 2, 2007.

<sup>lvi</sup> "Desde enero del 2007 el aumento acumulado in la canasta familiar alcanza el 21.38 por ciento" , [www.argenpress.info](http://www.argenpress.info) October 2, 2007

<sup>lvii</sup> Claudio Katz op cit Parte I and II

<sup>lviii</sup> Claudio Katz op cit Parte III

<sup>lix</sup> Julio Gambina "Notas sobre las elecciones presidenciales de octubre 2007 en Argentina" , [www.argenpress.info](http://www.argenpress.info) October 2, 2007.

<sup>lx</sup> Mike Davis, **Planet of Slums** (Verso, London 2006).

<sup>lxi</sup> For a discussion of Lula's agreement with the IMF pact during the electoral campaign see James Petras, **Brazil e Lula: Ano Zero** (Edifarb: Blumenau 2005) pp 28-30.

<sup>lxii</sup> *Ibid*



<sup>lxiii</sup> On the privatization of seven major highways see “Brazil auctions seven highway concessions” , **Financial Times** October 9,2007 p 23. Public support (totally ignored by Lula) for the re-nationalization of Vale de Doce, privatized under ex-President Cardoso, was evidenced in a non-binding unofficial “plebiscite” where over 3 million voters participated. Lula rejected any investigation of the well-documented multiple accusations that the privatization violated Brazilian laws and regulations. **La Jornada** September 10, 2007.

<sup>lxiv</sup> Petras **Brazil e Lula** op cit pp32-33.

<sup>lxv</sup> On Brazil’s orthodox neo-liberal policies during his first term (2003-2006) see Petras *ibid* especially pp 36-70

<sup>lxvi</sup> Petras *ibid*, “*Agro-exportacao e Reforma Agraria*” pp 63-71.

<sup>lxvii</sup> Interview with Joao Pedro Stedile, Secretary of MST, November 20, 2003 and James Petras, “*Clase dirigente global: multi-millionarios y como ‘lo hicieran’*”, [www.rebellion.com](http://www.rebellion.com) March 26, 2007.

<sup>lxviii</sup> Petras *ibid*. “*Politica de trabalho: ‘Reformas’ que Beneficiam os Patroes*” pp 73076. Lula bragged about his ‘courage’ in cutting public employee pensions, accusing his right-wing predecessors of cowardice in failing to face down the inevitable strikes and protests by public employee trade unions!

<sup>lxix</sup> For a critical discussion of Lula’s ‘poverty program’ and its similarity to traditional patronage politics see Petras *ibid* pp 83-86. The immense poverty-patronage network was a huge electoral success for Lula’s re-election. He received upward of 70% of the vote among poor recipients in the Northeast in the 2006 elections.

<sup>lxx</sup> See Petras *ibid*, “*A Crise social o Crime e a Militarizacao*” pp 118-120. In February 2008, just prior to Carnaval, Lula handed out 20 million condoms and posted thousands of troops throughout Rio’s slums...a new view of ‘safe sex’.

<sup>lxxi</sup> For a discussion of the CUT/MST protest against Lula in 2007 see Renato Godoy de Toledo, “*Em 2007, avancos na construção da unidade na esquerda*” **Agencia Brazil de Fato** January 11, 2008.

<sup>lxxii</sup> See Petras *ibid* “*A ALCA e o Imperialismo Estadunidense*” pp50-58.

<sup>lxxiii</sup> **Financial Times** February 2006

<sup>lxxiv</sup> On Lula’s payout to debt holders and speculators, see Juliano Domingues “*Em 2007, Brazil gastou R\$160 bilhoes com pagamento de juros*” **Agencia Brazil de Fato** January 9, 2008.

<sup>lxxv</sup> **MST Report** June 2007.

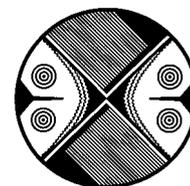
<sup>lxxvi</sup> **MST INFORMA** #147, December 31, 2007.

<sup>lxxvii</sup> On the right-wing oligarchy’s takeover of 6 key provinces and civil disobedience in 4, including the major commercial-agro-industrial center, Santa Cruz, see **La Jornada** November 27, 2007. On the inability of the Morales regime to protect the Constitutional Assembly and its flight to a military academy, see **La Jornada** November 23, 2007.

<sup>lxxviii</sup> For a detailed description of Evo Morales’ step by step policies leading to the resurrectin and expansion of right-wing oligarchic power see Petras and Veltmeyer, **Social Movements and State Power** op cit. especially Chapter 5 “*The Politics of Adjustment, Reform and Revolution in Bolivia*”, pp 175-219.

<sup>lxxix</sup> US and European writers and academics who have promoted Evo Morales’ ‘radical’, ‘revolutionary’ or ‘progressive’ credentials (see footnote #3) are unable to explain the virulent resurgence of the oligarchical right and its control over two-thirds of the country’s principal provinces less than three years after a massive popular insurrection and after 2 years of Morales’ assent to the Presidency. None of these intellectuals have seriously examined, in a systematic manner, the chain of policies, political agreements and structural continuities promoted by Morales-Garcia Linera which has totally reversed the socio-political correlation of forces between left populace and the right oligarchy.

<sup>lxxx</sup> Petras and Veltmeyer, **Social Movement and State Power** pp 198-219. The day to day political ‘transactions’ and compromises leading to the elections of right-wing oligarchical candidates in the Constitutional Assembly and their subsequent sabotage of the entire proceedings are found in [www.hoybolivia.com](http://www.hoybolivia.com) between February 2006 and December 2007.



lxxxi By July 2007, the right-wing oligarchy dominated six provinces, including mayors and prefects ('governors') were engaged in massive general strikes, civil disobedience and openly declaring their 'autonomy' or secession from the federal government. See [www.hoybolivia.com](http://www.hoybolivia.com) December 1, 2007.

lxxxii In 16 months the Assembly never proceeded beyond procedural issues as a result of government paralysis and the intervention by the delegates from the rightist parties and the strong arm tactics of right-wing gangs assaulting pro-government delegates and supporters. **La Jornada** November 14, 2007; [www.hoybolivia.com](http://www.hoybolivia.com) November 21, 2007.

lxxxiii Frustration was manifested by massive pro-Constitutional reform peasant demonstrations in Sucre (30,000) and El Alto among the urban poor demanding the government take action. [www.hoybolivia.com](http://www.hoybolivia.com) September 10, 2007 and December 16, 2007.

lxxxiv The right-wing oligarchy in 5 provinces produced a de facto alternative 'constitution' and proclaimed their 'autonomy' from the government. [www.hoybolivia.com](http://www.hoybolivia.com) December 10, 2007 and December 13, 2007.

lxxxv [www.hoybolivia.com](http://www.hoybolivia.com) October 13, 2007.

lxxxvi [www.hoybolivia.com](http://www.hoybolivia.com) November 29, 2007.

lxxxvii On the Constitutional reforms and Evo's public guarantees on the sanctity of private property and the favorable reaction by the business elite, see [www.hoybolivia.com](http://www.hoybolivia.com) October 5, 2007. On EM-GL's embrace of foreign investment and its 'importance', see [www.hoybolivia.com](http://www.hoybolivia.com) July 13, 2007. On the oil and gas operations under foreign control, see [www.hoybolivia.com](http://www.hoybolivia.com) August 11, 2007. On Morales guarantees on the juridical security of the multinational oil companies, see [www.hoybolivia.com](http://www.hoybolivia.com) May w, 2007. Morales clear public rejection of nationalization and defense of foreign oil investors ironically occurred on May 1, 2007 (May Day)! See [www.hoybolivia.com](http://www.hoybolivia.com)

lxxxviii Andres Soliz Rada "Los hibrocaburos en el 2008" [www.argenpres.info](http://www.argenpres.info) January 1, 2008.

lxxxix Andres Soliz Rada "Entre petroleras y ONGs", [www.argenpres.info](http://www.argenpres.info) December 18, 2007.

xc Given the extraordinarily favorable terms secured with the backing of Brazil's 'worker president', Petrobras announced a billion dollar investment program primarily in the exploitation of gas and oil. [www.hoybolivia.com](http://www.hoybolivia.com) December 18, 2007.

xcii **Financial Times** July 20, 2007 p3

xciii Andres Solis Rada "Entre petroleros y ONG" op cit

xciv *ibid*

xcv *ibid*

xcvi *ibid*

xcvii *ibid*

xcviii "La rebellion de los 100 clane s: Bolivia" [www.rebellion.org](http://www.rebellion.org) January 10, 2008. According to the Minister of Rural Development, Susana Rivero, "The state will respect the tenancy of productive lands. The entrepreneur who produces, that works for his region (sic) and the country (sic), will have the absolute protection of the state" [www.hoybolivia.com](http://www.hoybolivia.com) January 6, 2008.

xcix The PNUD study is cited in "La rebellion de los 100 clanes" op cit. For a history of land tenure legislation see Willem Assies, "Land Tenure Legislation in Pluri-cultural and Multi-ethnic Society: The Case of Bolivia" **Journal of Peasant Studies** vol 33 no4 October 2006 pp569-611.

cx **INRA Report on Land Tenure in Santa Cruz** cited in "La Rebelion de los 100 clanes" op cit

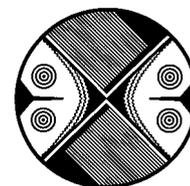
c "La Rebelion de los 100 clanes" op cit

ci *ibid*

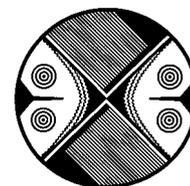
cii *ibid*

ciii "Gobierno ofrece aumento de Bs55 al salario minimo nacional" [www.hoybolivia.com](http://www.hoybolivia.com) August 11, 2007

civ On double digit inflation of almost 12%, see "La inflación está en dos dígitos y se requieren medidas drásticas para frenarla" [www.hoybolivia.com](http://www.hoybolivia.com) September 4, 2007. On the accumulation



- of foreign reserves, see *Record: reservas internacionales bordean los \$US 5000 millones*" [www.hoybolivia.com](http://www.hoybolivia.com)  
August 17, 2007  
cv [www.hoybolivia.com](http://www.hoybolivia.com) May 7, 2007  
cvi **La Jornada** July 7, 2007  
cvii Petras and Veltmeyer, **Social Movements and State Power** op cit Ch 4, "*Social Movements and State Power in Ecuador*" pp 136-174.  
cviii Petras and Veltmeyer op cit pp 149-150. Disenchantment among the rank and file in CONAIE led to the convoking of an emergency Congress in September 2003. The mass of delegates instructed CONAIE leaders to withdraw from the government and move into opposition. **Proceedings from the Third National Congress - September 2003.**  
cix For an in depth analysis of the political economic context of Rafael Correa's victories, see Napoleon Saltos Galarza, "*Tiempo Cambio*" MIMEO July 2007.  
cx **BBC Mundo** October 2, 2007; [www.argenpress.info](http://www.argenpress.info) October 3, 2007; Guido Proano "*Meditos resultados electorales*" [www.argenpress.info](http://www.argenpress.info) October 3, 2007.  
cxi Napoleon Saltos Galarza, "*Elecciones para la Constituyente se fortalece la tendencia de cambio*" October 2007, MIMEO  
cxii Petras And Veltmeyer **Social Movements and State Power**, op cit pp 161-165.  
cxiii Saltos "*Tiempos de Cambio*" op cit  
cxiv Early on, President Correa reduced the sales tax (IVA) from 12% to 10% ( **La Jornada** January 22, 2007), tightened tax regulations and increased taxes on unproductive lands, capital flight, luxury goods and inheritance (**La Jornada** December 30, 2007). The new progressive tax laws will raise \$300 million for Ecuador's treasury.  
cxv **La Jornada** October 6, 2007  
cxvi For a detailed and rigorous study of Petrobras' illegal takeover and exploitation of Ecuadorean oil fields with strong backing from President Lula da Silva's regime and its entire diplomatic corps, see Napoleon Saltos and Fernando Villavicencio, **Ecuador: Peaja Global de la Hegemonía de USA or la Hegemonía de Brazil?** (PH Ediciones 2007: Quito)  
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- lviii **Financial Times** January 30, 2008
- lix Maria Ines Ramirez, "Menos empleos y mas pololos" [www.lapena2000@hotmail.com](mailto:www.lapena2000@hotmail.com) January 23, 2006
- lx The most comprehensive day to day reportage on the struggle of the Mapuche movements can be found in [www.lapena2000@hotmail.com](mailto:www.lapena2000@hotmail.com)
- lxi The fragmented nature of mass protests, their sectoral demands, limited coordination and lack of a national political perspective and leadership has weakened their political impact and capacity to challenge the two major political blocs.
- lxii [www.lapena2000@hotmail.com](mailto:www.lapena2000@hotmail.com) January and February 2007.



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cxiv The United Nations Ambassador supervising the military occupation of Haiti was Juan Gabriel Valdes (Christian Democratic partner of the ruling Socialists in Chile); the head of the Chilean brigade in Haiti was General Juan Carlos Salgado Brocal who rose through the ranks under the Pinochet dictatorship and was active in several massacres in Haiti.

cxv The US and British mass media justified the massacres by describing the protesters as Haitian gangs, **Financial Times** February 22, 2007 p 5. During the massacre of December 23, 2006, 400 heavily armed soldiers (many from the Latin American center-left regimes), directed by one of Brazilian President Lula da Silva's generals, launched a major artillery and armed vehicle attack against the densely populated slum city of Cité Soleil. Over 40 civilians were killed and hundreds were wounded and maimed including women, children as well as innocent families huddled in their makeshift shacks. See "*Carros blindados atacan hombres, mujeres y niños en Cité Soleil*" [www.rebellion.org](http://www.rebellion.org) December 28, 2006.

cxvi In some case progressive writers who recognize the achievements and limitations of the social movements, fail to recognize the negative impact of electoral processes and politicians and the strategies of working within institutional parameters. See Claudio Katz, "*Las nuevas rebeliones latino-americanas*" Memoria December 2007 p4-15.