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NEOLIBERALISM AND IMPERIALISM IN LATIN AMERICA: DYNAMICS AND RESPONSES

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The political economy and sociology of development in Latin America has been obscured by the theoretical and political discourse that surrounds the concepts of globalization and international development. The aim of this paper is to cut through and look behind this discourse and to deconstruct it in terms of the ideology embedded in it, and to reconstruct, in the Latin American context, the actual dynamics of capitalist development. These dynamics, we argue, arise out of the policies and workings of an imperialist state that through the efforts of a succession of U.S. administrations has come to dominate the entire region. To this end, the paper presents a framework designed to facilitate the analysis of the dynamics of capitalist development in Latin America. Our central argument is that these dynamics have both an objective-structural and a subjective-political dimension and that a class analysis of these dynamics must include both. Thus, going beyond the objective conditions that affect countries and people according to their class location, we examine in this paper the political dynamics of popular and working class responses to neoliberal policies of structural adjustment in Latin America in recent years.

Introduction

Issues of capitalist development and imperialism have been overshadowed in the last two decades by an all too prevalent discourse on 'globalization'. The Left has generally bought into the discourse, tacitly accepting its inevitability and that in many ways it is progressive, needing only for the corporate agenda regarding its neoliberal form to be derailed. This is certainly although not particularly the case in Latin America where the Left has focused its concern almost exclusively on 'neoliberalism', with reference to the agenda pursued and package of policy reforms that have been implemented by virtually every government in the region by the force or dint of ideology if not the demands of global capital or political

opportunism. In this concern, imperialism and capitalist development per se, as opposed to its neoliberal form, have been pushed off the agenda, and as a result the project of building socialism has disappeared as an object of theory and practice.

In this paper we would like to contribute towards turning this around –to help resurrect the socialist project. One way of doing this is to cut through the nonsensical theoretical and political discourse on 'neoliberal globalization': to deconstruct this discourse in terms of the ideology embedded in it and reconstruct the actual dynamics of capitalist development, and to do so in its diverse contexts.

This is a major task requiring collaborative research and a closer look at the issues involved. The modest contribution of this paper is to reconstruct in outline form the imperialist dynamics of capitalist development as they relate to Latin America. To this end, we briefly present an analytical framework for an analysis of the dynamics of capitalist development and imperialism. We then describe and briefly review these dynamics in the Latin American context. Our central argument is that the dynamics of capitalist development and imperialism have both an objective-structural and a subjective-political dimension and that a class analysis of these dynamics should include both in its scope. This means that it is not enough to establish the workings of capitalism and imperialism in terms of their objectively given conditions that affect people and countries according to their class location in this system. We need to establish, and analyze, the political dynamics of popular and working class responses to these conditions–to neoliberal policies of structural adjustment to the purported requirements of the new world order. The politics of the Left might then be better informed.

The Neoliberal Era of Capitalist Development and Imperialism

Capitalist development in Latin America can be periodized into four phases (1) an initial phase of primitive accumulation and national development dating more or less from the Independence Movement in the 19th century and crystallizing in the Porfiriato, an extended dictatorship of the big landowners and incipient bourgeoisie in Mexico; (2) a period of modernization, incipient industrialization (Fordism) and social reform, dating from the Mexican revolution in the second decade of the twentieth century; (3) a period of state-led capitalist development with international 'cooperation' (technical and financial assistance) dating from the end of the Second World War and the construction of the (Bretton Woods) liberal capitalist world order (1945-70); (4) a period of transition (1971-82) characterized by an extended crisis in the global system of capitalist production and diverse efforts to restructure a way out of the crisis; and (5) the construction of a new world order designed to free the 'forces of

economic freedom' from the constraints on capital accumulation imposed by the system of sovereign nation states. This phase, which can be dated from the onset of a region-wide debt and an ensuing 'development' crisis, is characterized by dynamic processes of neoliberal globalization and imperialism–the institution of a neoliberal policy framework (the structural adjustment program, as it was first termed), a renewed imperial offensive, and the decline but then partial recovery of the capital accumulation process and the self-styled 'forces of economic and political freedom'.

The latest period of capitalist development, the outcome of which is by no means predetermined, has two dimensions (neoliberalism and imperialism in practice, forces of opposition and resistance), both of which can also be broken down into four phases.

Neoliberalism and Imperialism in Practice: A Framework of Analysis

Phase I (1982-90) of neoliberalism in practice (imperialism masked as globalization) includes laying the foundations of renewed process of capital accumulation on a global scale; setting the parameters for a new configuration of economic and political power; implementation of a second round of neoliberal 'structural reform'; the launch of an ideology (globalization) designed to legitimate this reform process, and the first wave of privatizations as part of this reform process; and a process of re-democratization designed as a means of securing the political conditions of structural adjustment: a marriage of strategic convenience between capitalism (economic liberalism) and democracy (political liberalism).

Phase II (1990-99) entails what might be viewed as a 'golden age' of massive transfers of public property to the 'private sector' (capitalists and their enterprises); an enormous net outflow of capital ('international resource transfers' in the form of profits on foreign direct and portfolio investments, debt payments and royalty charges; next to no economic growth—less than one percent per capita over the decade and a growing divide in the distribution of society's wealth and income; huge bailouts of the banks and investors in corporate stock in a situation of financial crisis; and another round of neoliberal policy reform ('structural reform'), this time with an affected 'human face' (adding to the reform process a 'new social policy' that moves beyond the 'Washington Consensus' on correct policy); a second wave of privatizations and an associated denationalization of the banks and strategic economic enterprises.

Phase III (2000-03) is characterized by a collapse of foreign direct investment inflows; and the onset of political crisis, mass revolt and regime change (Argentina, Bolivia, Ecuador, Brazil, Uruguay, Venezuela—a coup against and restoration of Chávez).

As for phase IV (2004-07), it is characterized by a mild economic recovery for a number of countries in the region and a sweeping realignment of political forces into four blocs.

Opposition to Imperialism, Class Rule, and Neoliberalism: Forces of Resistance

Phase I (1962-82) of opposition includes a major counter-offensive of the landed proprietors and big capital against the incremental advance of the workers and peasants; a double-offensive of the state against the rural poor and landless peasants in the form of the 'Alliance for Progress' ('rural development') and use of the state's repressive apparatus against the guerrilla armies of national liberation; the counter-offensive of capital, with the support of the state, against the working class, resulting in a disarticulation of the labor movement, cooptation of its leadership and a weakening in its capacity to negotiate for higher wages and better working conditions; and, with the agency and support of U.S. imperialism, the institution of military coups and the institution of military rule and a war against 'subversives' under the aegis of a Washington-designed 'Doctrine of National Security'.

Phase II (1983-98) was characterized by a reorganization of the popular movement, particularly in the countryside—in the indigenous communities and among the masses of dispossessed, landless workers and peasant producers; the mobilization of the forces of popular opposition and resistance against the neoliberal policies of the governments of the day; various uprisings of indigenous peasants in Ecuador, Chiapas and Bolivia, resulting in the ouster of several presidents if not regime change, and in the blocking of governments' efforts to extend the neoliberal agenda; the division of the indigenous movement (in Bolivia and Ecuador) into a social and political movement, allowing it to contest elections as well as mobilize the forces of resistance in direct action against the state; a general advance in the popular movement with the growth of new offensive and defensive class struggles.

Phase III (1999-03) was characterized by the emergence of various offensive struggles and social mobilizations that led to the overthrow of regimes in Argentina, Bolivia, and Ecuador. In Venezuela, Hugo Chávez came to power, inciting the complex dynamics of a class struggle characterized by a series of counter-offensives by the ruling class (attempted coups, referendums), growing demands for radical reforms and the institution of the 'Bolivarian Revolution' based on an anti-imperialist strategy designed to take the country along a socialist path.

As for Phase IV (2004-07), it is too early to characterize its overall dynamics or to determine its outcomes. But it has seen an ebbing in the flow of mass movements, the rise of a bloc of pragmatic neoliberal regimes, the radicalization of Chávez's project of '21st Century Socialism',

and the reflux of the popular movements in Oaxaca, Ecuador, and Colombia.

Three Cycles of Neoliberal Reform and Structural Adjustment

'Neoliberalism' in this historic context denotes a national policy–or rather, reform of the then-existing policy of state-led development ('structural reform' or 'structural adjustment')–justified with a neoclassical theory of economic growth and development and an ideology of globalization. In these terms, we can identify three cycles of neoliberal 'structural reform'. The first cycle, initiated by the Chicago Boys in Chile under the military dictatorship of Augusto Pinochet and adopted soon after by the military regimes in Argentina and Uruguay, occurred in the 1990s. After this first round of neoliberal experiments in national policy reform crashed in the early 1970s, a second round of neoliberal policy reform was implemented by different governments in the region under conditions of a debt crisis and the political leverage that this crisis provided to the World Bank and the IMF.

The third cycle of neoliberal policies was implemented in the 1990s. By this time only four major governments had not fully embraced the 'discipline' of the structural adjustment program. However, serious concerns had surfaced as to the sustainability of the neoliberal model and the associated Washington Consensus. For one thing, neoliberal policies and globalization had utterly failed to deliver on the promise of economic prosperity and mutual benefits. For another, structural reforms had not only released the forces of economic freedom but also diverse forms of political resistance that threatened the survival not only of the neoliberal model but the state itself. To avert an impending crisis, the ideologues of globalization and neoliberal architects of policy reform came up with a revised model: *'Structural Adjustment with a Human Face'* (UNICEF, 1988) in one formulation, *'Productive Transformation with Equity'* (CEPAL, 1990) in another, and *'Sustainable Human Development'* (UNDP, 2006) in a third permutation of 'another development'. The common feature of these and other such models was a continuing commitment to a neoliberal program of 'structural reform' at the level of national policy, the design and adoption of a 'new social policy' that 'targeted' social investment funds at the poor and their communities, and specific policies that helped shelter the most vulnerable groups from the admittedly high 'transitional' social costs of structural adjustment.[1]

Policy Dynamics of Neoliberal Structural Reform

The discourse on 'globalization' emerged in the 1980s in the context of efforts in policymaking circles to renovate the ailing Bretton Woods world order–to create a 'new world order' (Levitt, 2003; Petras and Veltmeyer,

2001). Under widespread systemic conditions of a capitalist production crisis and an associated fiscal crisis, economists at the World Bank and its sister 'international financial institutions', all adjuncts of the U.S. imperial state, formulated a program of policy reforms designed to open up the economies of the developing world to the forces of 'economic freedom', to integrate these societies and economies into the new world order. These policy reforms included various IMF stabilization measures such as currency devaluation and import restrictions, and policies of structural adjustment, including: (1) *privatization* of the means of social production and associated economic enterprises (reversing thereby the nationalization policies of the earlier model of state-led development); (2) *deregulation* of diverse product, capital and labor markets; (3) *liberalization* of capital flows and trade in products and services; and (4) *administrative decentralization,* attempting to 'democratize' and thereby the relation of civil society to the state, transferring to local governments in partnership with civil society responsibility for economic and social development; that is, privatizing 'development' (allowing the poor to 'own' and be responsible for improving their lives, changing themselves rather than the system.

By the end of the 1980s, this package of policy reforms had transformed the economic and social system of many Latin American societies. The state-led reforms of the 1960s and 1970s (nationalization, regulation of capitalist enterprise and capital inflows, protection of domestic producers, rural credit schemes, land and income redistribution, market-generated incomes, etc.) had been reverted, effectively halting, where not reversing, the process of development and incremental change.

The outcome and social impacts of this social transformation were all too visible and apparent, especially to those groups and classes that bore the brunt of the adjustment and globalization process. With a significant reduction in the share of labor (and households) in society's wealth and national income, and an equally significant concentration of asset-based incomes and its conversion into capital, Latin American society became increasingly class divided and polarized between a small minority of individuals capacitated and able to appropriate the lion's share of the new wealth and a large mass of producers and workers who had to bear the costs of this 'structural adjustment' and excluded from its benefits. The economic and political landscape of Latin American society was, and is, littered with the detritus of this development process. The objectively given conditions of this process are not only reflected in the all too evident deterioration in living and working conditions of the mass of the urban and rural population. They are also reflected in the evidence of a process of massive outmigration, the export of labor as it were, and an equally massive process of capital export—a net outflow or transfer of 'financial

resources' estimated by Saxe-Fernandez and Núñez (2001) to amount to well over USD 900 billion for the entire decade of the 1990s. Recent studies suggest that if anything the process, fuelled by the financialization of development and policies of privatization, liberalization and deregulation, has continued to accelerate, putting an end to any talk, and much writing, about a purported 'economic recovery' based on a program of 'bold reforms' and 'sound economics'. To all intents and purposes, neoliberalism is dead.

Globalization or Global Class War?

It is commonplace among many intellectuals, pundits and policy makers both in Latin America as elsewhere to discuss 'globalization' as of it were a process unfolding with an air of inevitability, the result of forces beyond anyone's control – at worst allowing policymakers to manage the process and at best to push it in a more ethical direction; that is, allow the presumed benefits of globalization to be spread somewhat more equitably. This is, in fact, the project shared by the antiglobalization movement in their search for 'another world' and the pragmatic center-left politicians currently in power in their search for 'another development'.

In this discourse, globalization appears as a behemoth whose appetites must be satisfied and whose thirst must be quenched at all costs –costs borne, as it happens but not fortuitously, by the working class. In this context to write, as do so many on the Left today, of the 'corporate agenda' and 'national interests', etc. is to obfuscate the class realities of globalization–the existence and machinations of the global ruling class (Petras, 2007b) and what Jeffrey Faux (2006) correctly terms a 'global class war'.

Faux's book allows us to view in a different way the globalizing economy, the politics and economics of free trade, and soaring corporate profits on the one hand, and, on the other hand, deteriorating standards of living and the continuing (and deepening) poverty of most of the world's people. What is behind these realities? A dynamic objective process, working like the invisible hand of providence through the free market to bring about mutual benefits and general prosperity? Or a class of people who in their collective interest have launched a global war with diverse features and theaters. One feature of this class war entails ripping up the social contract that had allowed the benefits of capitalism to be broadly shared with other social classes. Another feature was the use of the state apparatus to reduce the share of labor in national income, weaken its organizational and negotiating capacity, and repress any movement for substantive social change.

The globalization discourse hides the class realities behind it. The press, for example, consistently talks about national interests without

defining who exactly is getting what and how, under what policy or decision-making conditions. Thus, American workers are told that the Chinese are taking their jobs. But the China threat, in fact, is but another global business partnership, in this case between Chinese commissars who supply global capital cheap labor and the U.S. and other foreign capitalists who supply the technology and much of the capital used to finance China's exports. Workers in Latin America are told that it is their inflexibility and intransigence, and government interference in the free market, that hold them back from engaging meaningfully or at all in the many benefits of globalization. Many, including on the left, view 'globalization' in this way. However, it would be better to see it for what it is: a class project vis-à-vis the accumulation of capital on a global scale; and as 'imperialism' vis-à-vis the project of establishing world domination, a source and means of ideological hegemony over the system.

Neoliberalism is the reigning philosophy of the global elite, a transnational capitalist class that holds its annual meeting in the plush mountain resort of Davos, Switzerland. Hosted by the multinational corporations that dominate the world economy (Citigroup, Siemens, Microsoft, Nestlé, Shell, Chevron, BP Amoco, Repsol-YPF, Texaco, Occidental, Halliburton, etc.), some 2000 CEOs, prominent politicians, allow this elite to network with pundits and international bureaucrats, discuss policy briefs and position papers on the state of the global economy, and to strategize about the world's future–all over the best food, fine wine, good skiing and cosy evenings by the fire among friends and associates–fellow self-appointed and nominated members and guardians of the imperial world order.

Davos is not a secret cabal, although it is surrounded by meetings and workings of a host of groupings. Journalists issue daily reports to the world on the wit and informal charm of these unelected, self-appointed or nominated members of the class that runs and manages the global economy. In this sense it is a political convention of what Faux dubs 'the Davos Party' that includes solid representation from the economic and political elite in Latin America. The mechanism and dynamics of class membership are unclear; as far as we know it has not been systemically studied. But it likely involves 'people' like Henrique Fernando Cardoso, former dependency theorist and later neoliberal president of Brazil, upon or before completion of his term in office, being invited to give a 'talk' or address members of the imperial brain trust, the global elite, at one of its diverse foundations and 'policy forums', such as the Council on Foreign Relations (CFR), a critical linchpin of the imperial brain trust and its system of think-tanks, policy forums and geopolitical planning centers.[2] Certainly this is how former Mexican presidents Carlos Salinas and Ernesto Zedillo were appointed and assigned specific responsibilities on

diverse working 'committees' designed to identify and redress fissures in and threats to the system. It is evident that listing in Forbes' listing of the world's biggest billionaire family fortunes, such as Bill Gates, George Soros and Carlos Slim, is sufficient in itself to ensure automatic membership in the club.

The New World Order System easily identifies those politicians, journalists, etc., in each country that, as Salbuchi (2003) notes, are 'malleable, controllable and willing to subordinate themselves to the System's objectives'. Their careers are then launched so that they may rise to become presidents of their countries or ministers of finance and central bank governors. This was the case, for example, for Argentina's Domingo Cavallo, Chile's Alejandro Foxley and Brazil's Henrique Cardoso, each of whom received suitable local and international press coverage; were honored with 'prestige-generating' reviews, interviews, conferences and dinners, etc.; and then invited to address the Council on Foreign Relations, the Americas Society and Council of the Americas, so that the key New World Order players in New York and Washington could evaluate them. If and when they pass muster their election campaigns are generously financed by the corporate, banking and media infrastructure of the 'establishment' that has the resources and means to bring them to power legally and democratically–to do the bidding of their masters and colleagues.[3]

Popular Responses to Neoliberal Globalization

One of the first popular responses to neoliberalism and imperialism in the early to mid-1990s was outmigration (Petras, 2007a). Many of the rural poor took the road of migration, first, and in great numbers, to the not so distant urban centers; and then to the more distant destination points of transnational migration, mostly (from Mexico and Central America but also, by plane, from points further south) to the urban centers of the U.S. but also to the farms in the U.S. south. This outflow of rural migrants in many respects was simply a variation on the classic process of primitive accumulation and proletarianization; and indeed the migrants constitute an enormous reservoir of reserve labor that has fuelled an on-going process of capital accumulation and development in the urban centers of Latin America and in the North. Estimates of the rural dispossessed who have taken the route of outmigration since the first and later onslaughts of neoliberal globalization are difficult to come by but are in the millions. Developments in Brazil and Mexico, two of the three most populous countries in the region provide glimpses into both the complexities and the scope of the phenomenon. Just in the 1990s it has been estimated that over nine million landless workers migrated to the cities and urban centers in Brazil in the search of work and livelihood.

A Planet of Slums: The Dynamics of Outmigration

Today, much of this 'multitude' makes up an urban proletariat of street workers, eking out a bare existence on the margins of a burgeoning urban economy. In Mexico the dimensions of these dynamics are even larger, certainly in terms of the visible effects of transborder migration on the U.S. economy, parts of which now are heavily dependent on a continuing outflow of Mexican migrant labor. Millions of Mexicans have migrated to the U.S. over the course of the latest and earlier phases of capitalist development, the vast majority without legal documents–crossing the relatively porous US-Mexico border. Up to forty million Mexicans now are estimated to live and work in the U.S., one half this number consisting of recent generations of rural outmigrants from states such as Zacatecas and Hidalgo, whose system of agrarian production and associated rural communities has been decimated by the impact of neoliberal 'structural' or free-market reforms' (Delgado-Wise, 2006).

Hidalgo, ranked 10th among the Mexican states in terms of the volume of U.S. migration, has an estimated 250,000 of its citizens living and working illegally in the U.S., mostly as farm, service sector or construction workers, or as day laborers. Hidalgo being a relative latecomer on the U.S. migration scene (compared to Zacatecas, for example), these migrants are mostly first-generation migrants in search of remunerated work; most of them migrated over the last decade, at a rate of 15,000-20,000 a year (*El Financiero*, 2 de Abril 2007). And this from a state with a relatively small population base, leaving many communities bereft of its most economically productive members and many thousands of family couples separated, with the husband working in the U.S. and the wife and children left behind. The remittances sent back home provide little compensation for the devastation left behind.

The implementation of NAFTA in January 1994, following closely Mexico's Agrarian Reform law, which opened up the land market in Mexico and coincided with the eruption of the Zapatista movement, can be seen as a major launching pad of another major round of outmigration, resulting in not only the Mexicanization of the U.S. labor force but in the construction of transborder migrant communities and in a flow of remittances that, it is calculated, now constitute for a number of countries such as Mexico and Ecuador one of the largest sources of 'international resource inflows' used to balance the national account as well as contributing to the livelihoods of the family members left behind. The complex dynamics of this process are being debated, as the World Bank among other international organizations now lauds the 'development' or poverty-fighting implications of these remittances.

Although considerable, outmigration was by no means the only response of the rural populace to the dynamics of neoliberal migration,

conceptualized by migration economists in terms of 'push' (objective) and 'pull' (subjective) factors. Some view these dynamics in different terms of the forces of modernization and change. Others, we among them, have analyzed these dynamics in structural terms of the working of what Marx conceptualized as the 'general law of capital accumulation'. However, there is a distinct political dimension to some of these responses of the rural dispossessed and poor. By the end of the 1980s, landless or near landless peasants and indigenous communities had begun to organize movements that actively mobilized the forces of popular resistance to neoliberal policies of structural adjustment and the ideology of neoliberal globalization. The dynamics of this response will be discussed in the context of political developments in the 1990s when this mobilization transformed the political landscape in the region.

Another response to neoliberal policies and the agenda to globalize the economy, to open up national economies to the dictates of global capital, was localized in the urban centers. This response, in the 1980s, also had a defensive and active dimension. In earlier periods of capitalist development in diverse contexts the urban proletariat, fuelled by a process of expulsion from the countryside and industrialization in the urban centers, was slowly but surely–and painfully–'made over' or converted into an urban and industrial working class, working in the growing factories and offices. But in Latin America, in the context of a decade of neoliberal reforms, dubbed by historians 'a decade lost to development', this did not happen. With 'industry' unable to absorb the mass of rural migrant labor released from the countryside, and the dismantling of public enterprises, the working class was transformed from an industrial proletariat, with important divisions in the workplaces of state enterprises, into a mass of street workers compelled to work 'on their own account' rather than wages in the burgeoning 'informal sector' of the urban economy (Davis, 2006). Whatever the conceptual and political problems associated within this new burgeoning economy and society there is no doubt of its significance and dynamics. It is estimated that up to 90% of 'jobs' and employment growth in the 1990s took place in the so-called 'informal sector' and were attributed to the entrepreneurial capacity and ingenuity of the urban poor.

The Working Class and Urban-Based Responses to Neoliberalism: On the Defensive

Most initial responses to the neoliberal onslaught were clearly defensive in character, and adaptation to conditions beyond their control one might say. However, a segment of the urban poor responded actively not s much to the economic conditions that engulfed them–to these conditions their response was defensive: forming of soup kitchens, etc.–but to government

IMF-mandated economic policies, and, in some contexts against military rule and in support of the redemocratization process. In Chile, for example, the urban poor led the fight against the military regime while the political left negotiated a return to electoral politics (Leiva and Petras, 1994). In most urban centers across the region the dominant response of the urban poor, both the new and the old working class, and the mass of recent entries to the labor market, was active albeit unorganized resistance to the new government policy of neoliberal globalization (adjustment to the requirements of the new world order).

Throughout the region, the 1980s was characterized by outbursts of protests and rioting against what was widely dubbed as 'IMF reforms'. These 'IMF protests' materialized sporadically and did not lead to any politically organized form of response, but they did nevertheless evidence the growing discontent with the direction of government policies –a second round of neoliberal experiments with policy reform. Towards the end of the decade, one such response in Venezuela led to the 'Caracazo', a massacre that would reverberate for over a decade, delaying the adoption in Venezuela of neoliberal reforms and the globalization agenda.[4] By the end of the 1980s Venezuela was one of only four holdouts from this agenda, and each of the other countries (Peru, Argentina, Brazil) would embrace the globalization agenda with a vengeance.

The working class in the 1980s was in disarray and undergoing a process of restructuring. It was the victim of the class war unleashed by capital against labor and orchestrated by the state's war against subversion and subversives. As a result, the organizational capacity of the working class was greatly weakened, seriously undermining its capacity to organize and mobilize its membership and its leadership role in the popular struggle. This became painfully evident in the 1990s when the working class organizations and the labor movement continued their political slide, giving way to a new round of social mobilizations against government policy, this time more organized – and led not by organized workers but by movements of peasant organizations and indigenous communities.

Indigenous Communities and Peasant Organizations in the Popular Movement

In this new wave of peasant-based social movements the object of resistance was the state and government policy vis-à-vis the neoliberal agenda of free market capitalist development and globalization. In response to this agenda a number of social movements were formed in the late 1980s in the context of the second round neoliberal reforms implemented by the governments in transition from military rule, or what liberal American political scientists choose to term 'bureaucratic authoritarianism,' to 'democracy'. In Chiapas the EZLN was being formed

clandestinely in 'los bolsillos de olvido' (forgotten pockets) of the marginalized indigenous communities in the Lacandon jungle of Chiapas. In Brazil and Ecuador, however, two of the major radical social movements of the 1990s were organized on a national scale, in the latter case by diverse groups of indigenous communities and peasant federations; and in the former, with the active support of the Catholic church's rural pastoral, by groupings of landless workers or dispossessed peasant producers.

Both movements–the *Movement of Rural Landless workers* (MST) and the *Confederation of Indigenous Nationalities of Ecuador* (CONAIE)–would come to dominate the political landscape in their respective countries, constituting critical reference points for a popular response and the forces of resistance in the region against the neoliberal world order and the 'globalization' process. An earlier wave of peasant-based social movements and class struggle in the countryside in the form of guerrilla armies of national liberation, they had been repressed and by and large destroyed by the state, with the support of the U.S. imperial state that in the wake of the Cuban revolution, had launched a major double-offensive against the 'forces of subversion' in the form of the Alliance for Progress and the Doctrine of National Security (DNS). The Alliance for Progress was an umbrella organization for a non-military offensive, led by squadrons of private voluntary organizations (NGOs in today's terminology) contracted by the U.S. state and directed against elements of the rural poor susceptible to the lure of radical social change. The DNS took the form of an extended military offensive, activating the repressive apparatus of the Latin American state with the full logistical and financial support of the imperial power. In this double offensive the urban-based labor movement and the rural-based guerrilla armies of national liberation were either decapitated or destroyed; or, as in Mexico (in Chiapas, Guerrero, etc.), forced 'to ground'. The only major revolutionary organization in the region to survive this offensive was the Revolutionary Armed Forces of Colombia—People's Army (FARC-EP). In Peru El Sendero also managed to survive into the 1990s when the Fujimori regime finally brought it down by decapitating its leadership.

By the 1990s neoliberal policies had spawned another wave of anti-systemic social movements used to mobilize the forces of popular resistance against and opposition. While an earlier wave of social movements in the 1960s and 1970s basically mobilized landless peasants in the land struggle and workers in their struggle for better working conditions and higher wages, the new wave of social movements was more directly directed against government economic policies and the neoliberal model of globalizing capital behind them. The social base of these movements and the forces of popular resistance was primarily

found in the indigenous communities and organizations of peasant producers, and thus materialized in countries such as Mexico (in Chiapas), Bolivia and Ecuador with significant concentrations of a super-exploited and oppressed indigenous population.

Although the indigenous population in Ecuador was the first to organize into a national movement (CONAIE) and to rise up against the system in 1990, it was the Zapatista Army of National Liberation (EZLN) in Chiapas that signalled most clearly the nature of these new social movements.[5] The Zapatistas erupted on the political stage on 1 January 1994, the precise day on which the North American Free Trade Agreement (NAFTA) took effect. There was nothing fortuitous about this political coincidence. NAFTA was regarded by the indigenous peasants of Chiapas as–in the words of Subcomandante Marcos, their chief spokesperson–a 'death sentence' for their economy and their society; it was, in Marcos' poetic and distinctly modernist class language, one of many means used by 'the wild beast' (US imperialism) to dispossess the direct producers in the state from their natural, financial and other productive resource–exacting tribute from the subject population to feed the beast's voracious appetite.[6]

The rest, as they say, is history–a history grossly misread by a generation of postmodern scholars attuned to cyberspace and armed with a 'political imaginary', and punctuated by the failed efforts of the Zapatistas to expand into a national movement, notwithstanding the enormous volume of intellectual and political energy created by its occasional outbursts and actions and more frequent 'declarations' from the Lacondan. The latest turn in this history, both real and virtual, is the launching of the second phase of the 'second campaign' that will take the Zapatistas and what remains of their movement across the country, with a strategy to continue the struggle via an alliance between the indigenous and the workers movement worldwide, linking up with the MST to help form a transnational antiglobalization and anticapitalist movement. As Marcos declared in this situation, the only way forward is to 'bury capitalism' (*sepultarlo*). In this, the Zapatistas might or might not succeed, i.e., help build a broader antisystemic movement. But at least they will have the satisfaction of learning that they have entered José María Aznar's 2007 list of the 'enemies of the west', a list elaborated with the assistance of Manuel Espino, President of Mexico's Partido Acción Nacional (PAN).

Partly because of the weight of the indigenous and peasant factors in the popular movement the indigenous movement in Bolivia and Ecuador proved to be more consequential. Indeed, organizations of indigenous communities and peasant producers in both countries took over the lead from labor, in the popular movement against the government's neoliberal agenda. Over the course of the 1990s, CONAIE mobilized the forces of

popular resistance to this agenda in diverse conjunctures, managing in the process not only to bring the government to its knees and oust three presidents but halt, if not entirely derail, efforts by the government to extend its privatization agenda and to surrender the country's wealth to the agents and forces of globalization. In January 2000 an indigenous uprising led by CONAIE in an alliance that included the urban-based Coordinadora de Movimientos Sociales (CMS), set into motion a fundamental change in the country's political dynamics: a people actively mobilized.

As for Bolivia, an organization of coca-producing indigenous peasants ('cocaleros'), led by Evo Morales, would come to have a similarly significant impact on the political dynamics of resistance to the government's neoliberal agenda. Bolivia has turned out to be a virtual laboratory of policy experiments with the neoliberal model, aiming by means of these experiments to come up with a more sustainable development model–'human sustainable development' in the official lexicon (Booth, 1996).[7] The defining characteristic of this model is a participatory form of development based on the institutionality of the law of popular participation and the law of administrative decentralization, both promulgated by the government formed in 1994 by Sanchez de Lozada, Minister of Finance in the late 1980s in the Estenssoro regime, when the model of human sustainable development was crafted with 'international cooperation'.[8]

Over the course of the next decade this model of community-based development based on the agency of the municipality ('the productive municipality') was implemented with the active participation of the social left, which had turned away from the party politics of class struggle and state power towards community development, with substantial international cooperation. However, notwithstanding the aim of the World Bank and other multilateral agencies in this regard, and unlike the experience in Ecuador, such forms of local or community-based development had a minimal impact on the popular movement. This movement, led by the cocaleros and activists in the indigenous communities and neighborhoods, opted instead to organize a political instrument (the Movement towards Socialism—MAS), to allow them to actively engage the electoral process of democratic politics. CONAIE underwent a similar political development, dividing the indigenous movement as to the preferred method for bringing about social change—political elections or social mobilization? (Macas, 2000, 2004).

On the Move: The Indigenous Movement in Bolivia and Ecuador

From January 2000 to October 2003 the indigenous movement both in Bolivia and Ecuador aligned itself with other sectors of the popular

movement in opposition to the government's neoliberal agenda and the U.S. government's plan for continental free trade agreement (ALCA). Insofar as ALCA, in substance and symbol, embodied the U.S. imperial conquest and colonization of Latin America, the anti-ALCA movement represented a key element in the anti-imperialist struggle. In Brazil the Landless Rural Workers Movement (MST) was the leading force in opposition to ALCA, while diverse coalitions of peasant organizations, indigenous communities, small farmers and working class organizations, and the political left, across Latin America combined in the form of massive mobilizations to defeat this effort of the United States to subjugate its vassal states (Petras, 1997a, 1997b).

The intransigence of De Lozada regarding neoliberalism, particularly related to the privatization of the country's wealth of natural resources, widely regarded as the inalienable patrimony of the people, would prove to be a detonating factor in creating a quasi-revolutionary situation, which exploded in several wide-ranging social mobilizations of diverse forces of resistance to the government's neoliberal policies and globalization strategy. Many observers trace the origins of the October 2003 uprising to policies introduced by the government in 2000, just a month into the De Lozada administration, to February 2003, when De Lozada followed his '*perdonazo*' (the pardoning of $180 million in debts held by the largest corporations) with an '*impuestazo*' (tax hit) where the government sought to collect an additional $90 million in taxes on the working class. Although the government managed to achieve some breathing space, and several months of relative calm, after an initial popular rebellion of pensioners in January and an outbreak of violent clashes with government forces over the '*impuestazo*' that resulted in 35 deaths and 250 seriously wounded, a revolutionary ferment of opposition and resistance was brought to a boil in October 2003 by the government's proposal to concede the right to export its massive strategic reserves of natural gas to a U.S.-owned multinational consortium. Under conditions of this project the political impasse in the workers and broader popular movement was broken and the government confronted its worst political crisis for many years, a crisis that forced De Lozada into exile in the United States.

Major anti-imperialist class struggles took place in Bolivia from April 2000 to October 2003 in the Chaparé region, Cochabamba and El Alto, an essentially Aymarian city on the outskirts of La Paz. In Cochabamba the struggle was over attempts of the De Lozada regime to privatize access to water (the 'water war') to a foreign company[9] while in Chaparé it was over the U.S. policy of coca eradication and privatization of the country's oil and gas reserves ('the gas wars'). However, these initially local struggles were soon linked to the larger struggles against the imposition of neoliberal policies that undermined local agricultural and manufacturing

employment and public sector financing which in turn led to anti-imperialist movements against ALCA, the IMF and U.S. imperialism. In October 2003 these diverse struggles came to a head in what might be defined as a quasi-revolutionary situation.[10]

The Left Responds

Throughout the 1990s the dominant popular response to neoliberal globalization and associated regimes and policies was in the form of social movements that represented and advanced most effectively the struggle against what Ronald Chilcote (1990) has termed a 'plurality of resistances to inequality and oppression'. These movements placed growing pressure from below on the regime and the 'political class'. However, by mid-decade, well into the left's general retreat from class politics, a number of these movements followed Brazil's labor movement (The PT or Workers' Party) in establishing a party apparatus to allow them to contest both national and local elections–to pursue an electoral strategy. This political development did not require or mean an abandonment of the social movement strategy of social mobilizations. But it did open up a broader opportunity to participate in the electoral process, allowing the populace to participate in party politics.

Local Politics and Community Development

The mobilization of the electorate via the institutional trappings of liberal democracy provided a new impetus to the political left–the segment that opted for party politics over social mobilization as a strategy for achieving state power: influencing government policy from within rather than outside the system. However, a large swath of the Left seem to have heeded Jorge Casteñeda's call for the Left to switch its electoral ambitions to the municipality, local politics and community development. His argument, advanced in *Utopia Unarmed*, was that 'municipal politics should be the centerpiece of the left's democratic agenda… because it typifies the kind of change that is viable… a stepping stone for the future' (1994: 244). Engagement in local politics, he argued—and much of the Left seemed to have followed this line—would provide the basis for a consolidation of the left after the so-called 'democratic transition' from 1979 (Bolivia, Ecuador) to 1989 (Chile). In addition it would help re-articulate the civil society-local state nexus and restore legitimacy to the Left's relationship with the popular sector (Lievesley, 2005: 8).

An example of this approach, widely pursued by the Left even before Casteñeda, is the PT's Participatory Budgeting process in Porto Alegre, the capital city of Brazil's state of Rio Grande do Sul. The PT government of Puerto Alegre opened up municipal institutions with a stated commitment to accountability and transparency, as well as citizen

participation in the budget planning process via the mechanism of public meetings (*Orçamento Participativa*).

The Porto Alegre experience with participatory budgeting was hailed by the World Bank and the International Development 'community' of multilateral institutions and liberal academics as a good example of collective decision-making for the common good, a model of grassroots participatory development and politics, and it continues to serve as a guide to similar practices and experiences elsewhere (Abers, 1997). Other examples of this 'participatory' approach towards local politics and community development, widely adopted by the Left in the 1990s in its retreat from class, can be found in Bolivia and Ecuador, both countries a virtual laboratory for diverse experiments to convert the municipality into a 'productive agent' (the 'productive municipality')[11] and exertions by the Left to bring about social change via local politics (North and Cameron, 2003). On the left this shift from macro-politics and development (national elections versus social movements) to micro-politics and development (local politics, participatory development) was viewed as a salutary retreat from a form of analysis and politics whose time had come and gone. Within academe the dynamics of this process has been viewed in some circles as the harbinger of a 'new tyranny' (Cooke and Kothari, 2001).

The World Social Forum Process: Another World is Possible?

On January 3, 2007, Caracas, the capital city of an epicenter of social and political transformation in the region was concerted into a Mecca of the international left. Thousands of activists (100,000 according to the organizers) arrived in Caracas from some 170 countries to participate in the sixth edition of the World Social Forum (WSF), a process initiated in Porto Alegre, Brazil, six years earlier. It was the first of a then thereafter annual event, extended to and replicated in other regional settings from India, Europe and most recently Nairobi, Kenya in the African subcontinent. In each place and in each annual event, the organizers would bring together hundreds of nongovernmental and civil organizations committed to the search for a more ethical form of globalization, a more human form of capitalism. The process brings together diverse representatives of a self-defined new left committed to the belief in the necessity and possibility of a 'new world', an alternative to globalization in its neoliberal form.

There are roughly defined limits to this new political process: participants are invited and expected to explore diverse proposals for bringing about 'another world' but to limit this search to reforms to the existing system, reforms that no matter how 'radical' are expected to leave the pillars of the system intact. This liberal reform orientation to the process is ensured by explicit exclusions – any political organizations that

include armed struggle or violent confrontation and class struggle in its repertoire, that are oriented towards revolutionary change. Thus FARC-EP, for example is specifically excluded by the steering committee of the process that actually is representative of the world social democratic movement.

ATTAC, a Paris-based social democratic organization is the most visible representative of this approach towards social change, but the World Social Forum from its inception morphed into and became a significant expression of what emerged as the 'antiglobalization movement.' This movement had its origins in the encounter of diverse forces of resistance formed in middle class organizations in the 'global north' and mounted against the symbols of neoliberal globalization such as the World Trade Organization and the G-7/8 annual summit. A defining moment in this movement, rooted in the organizations of the urban middle class–NGOs, unions, students, etc.–in both Europe and North America, included the successful mobilization against the MAI in Seattle. This mobilization was the first of a number of serialized events scheduled to unfold at important gatherings of the representatives of global capital–Genoa, Quebec, Melbourne, Dakar.

In Latin America the World Social Forum process, rather than the Counter-Summit, is the basic form taken by the 'antiglobalization movement' in the search for 'another world'. Apart from the absence of an internal division between the advocates of moderate reform (ethical globalization) and more radical change (viz. the so-called 'anarchists') the antiglobalization process is designed to define and maintain the outer limits of permitted change; that is, controlled dissent from the prevailing model of global capitalist development. Not anti-globalization but a more ethical form. Not anti-capitalism but a more humane form of capitalism, a more sustainable human form of development. Not anti-imperialism because imperialism is not at issue.

The New Left and the Politics of No-Power

In the shape and form of class struggle the path towards social change in the 1960s and 1970s was generally directed to state power. That is, the forces of resistance, at the time based in the countryside, in the organizations and movements of the landless and near landless peasants, and in the urban-based organized labor movement; and for the most part led by petit-bourgeois middle class intellectuals, were concerned with the capture of state power. However, in the 1990s, in a very different context–neoliberal globalization–and in the wake of the Zapatista uprising in January 1994, there emerged on the left a postmodern twist to the struggle for social change: 'social change without taking state power' (Holloway, 2002).

In the discourse of Subcomandante Marcos, the Zapatismo came to symbolically–or theoretically, in the writings of Holloway and others (for example, Burbach, 1994)–represent a 'new way of doing politics': to bring about social change without resort to class struggle or the quest for state power (Holloway, 2002). However, much of the Latin American left appeared all too ready to retreat from class politics and engage the new way of 'doing politics'. Some of the Left joined the struggle for change at the level of local politics and community development–to bring about social change by building on the assets of the poor, their 'social capital' (Portes, 1998, 2000; Ocampo, 2004). Another part joined the 'situationists' and other militants of 'radical praxis' in an intellectual engagement with the forces of social and political disenchantment in the popular barrios of unemployed workers–in Buenos Aires and elsewhere (Besayag and Sztulwark, 2000; Colectivo Situaciónes, 2001, 2002). This was in the early years of the new millennium. In the specific conjuncture of economic and political crisis, a generalized rejection of the 'old way' of doing politics ('que se vayan todos'), the search for redemption and relevance left a large part of the left without a political project, without a social base for their politics.

Dynamics of Electoral Politics: What's Left of the Left

With the advent of the new millennium, it was clear that the neoliberal model even in its revamped form, had failed to deliver on its promise of economic growth and general prosperity. Instead it had deepened existing class and global divides in wealth and income, and regime after regime was pushed towards its limits of endurance by the forces of popular mobilization. In this context, the political elite in each country turned to the left, opening up new opportunities for groups that had hitherto concentrated their efforts on local politics and community development. Governments of the day, many of them neoliberal client regimes of the U.S., fell to the forces of resistance and opposition.

Political developments in the region regarding this regime change have led to much writing and concern in the U.S., and widespread hopes and expectations on the Left about a tilt to the left in national politics and what the press (*Globe & Mail*) has termed a 'disheartening' triumph of politics over 'sound economics'. Much of this concern revolves around Hugo Chávez, who appears (to the U.S. press and policymakers) to be taking Venezuela down a decidedly anti-US, anti-imperialist and seemingly socialist path, and taking other governments in the region with him.

Chávez's electoral victory in 1998 is seen by many as the moment when a red tide began to wash over the region's political landscape. In the summer of 2002, the Movement to Socialism (MAS) in Bolivia, led by

militant coca growers' leader Evo Morales, became the second largest party in the Congress while in December it achieved huge victories in municipal elections – in what was billed by the MAS itself as 'la toma de los municipios'. The election to state power of Lula da Silva in Brazil (October 2002), Nestor Kirchner in Argentina (May 2003), Tabaré Vasquez in Uruguay (November 2004), Evo Morales in Bolivia (December 2005), Michelle Bachelet in Chile (January 2006), and most recently Rafael Correa in Ecuador (December 2006), followed. The tide was checked in Mexico in the summer of 2006 when Lopez Obrador, presidential candidate of the PRD, was robbed of victory, and in Peru, where the nationalist Humala lost out to Alan Garcia, the once disgraced social democrat but reborn neoliberal. But it appeared to swell again with Daniel Ortega's victory in Nicaragua–although, given his opportunism and religious rebirth, Ortega could hardly be viewed as on the Left notwithstanding his friendship with (and support from) Chávez and Fidel Castro–and Rafael Correa.

Thus it appeared that Latin America had turned against the US-inspired–and dictated–neoliberal policies of structural adjustment and globalization by electing to state power a number of parties on the political left – although 'moderate' or 'pragmatic'. Center-Left administrations, some of which explicitly cherish their links with Cuba and relish throwing it in the face of the U.S. administration, which has shown itself to be extraordinarily ideological and non-pragmatic, now outnumber right-of-center governments in the region. The days of the US-supported and instigated right-wing dictatorships and military rule are over, having long disappeared in the dustbins of history and replaced by a new breed of neoliberal regimes.

Latin America Turns to the Left?

These regimes have changed or are changing, at least in appearance (that is, as constructed in the rhetoric of public discourse), their economic course, ostensibly moving away from the neoliberal policies pushed by the U.S. This was the case in Argentina, for example, where the Kirchner administration was compelled by the most serious economic and political crisis in its history to confront the IMF and the World Bank, and the U.S., by halting payments on the country's external debt, redirecting import revenues towards productive and social investments, including short-term work projects demanded by the mass of unemployed workers that at the time constituted over 25% of the labor force and who had taken to the streets, picketing highways in protest. The result: some three years later one finds an annual growth rate of 8%, the highest in the region.

Another example of apparent regime change was in Brazil, where and when in October 2002 the electorate after his third attempt voted Ignacio [Lula] da Silva, leader of the PT, into power, re-electing him in 2006 to a

second term in office. The first President on the 'left' voted into power since Allende in 1970, Lula is nevertheless (and for good reason, it turns out) very well received by Wall Street, if not by Washington, which tends to view him as a thorn in the U.S. side. Indeed Lula played a major role in defeating the White House plan for a hemispheric free trade zone. In this context, the intellectual left associated with the antiglobalization movement chose to see Lula as an opponent of neoliberal globalization. In fact, Lula, on behalf of Brazil's agribusiness and other capitalist producers, simply has been playing hardball in negotiations over access to the U.S. market.

Elections of center-left governments followed in Uruguay (2004), Chile (2006) and Ecuador (2006), where the electorate was polarized between a business magnate, Alvaro Noboa, the richest man in the country and a committed neoliberal ideologue; and Rafael Correa, head of a center-left coalition that appears to be taking Ecuador down the same path as Evo Morales is taking Bolivia, particularly in regard to the proposed Constituent Assembly (CA). Elections for the CA are convened for September 30, and by all counts, and considering the political strife that it has already generated within the political elite, it might well change the economic and social system as well as the balance of class forces in the country's politics. In this regard, elements of the political left in Ecuador, for example those associated with the 'Coordinadora de Movimientos Sociales' (CMS), see the CA as a political opportunity to build a 'radical bloc' on the basis of combined action 'from above' (the government) and 'from below' (the indigenous and popular movement). Whether this will happen (see Saltos, 2007),[12] remains to be seen. For one thing, it hinges on the capacity of the popular movement for active mobilization – to pressure the Correa government from below towards the left. On this the historic record is fairly clear. As observed by Joao Pedro Stedile, leader of the MST, 'without active mobilization the government gives nothing'.

With the election of Rafael Correa over Alvaro Noboa, the popular and indigenous movement in Ecuador at least placed on the agenda of government action issues such as national sovereignty, nationalization of the country's natural resources, agrarian reform, indigenous rights, subordination of payment on the external debt to social programs, renegotiation of oil contracts with the multinationals, the ending of the military bases in Manta, and Latin American (vs. continental) integration. Whether the government will act on these issues remains to be seen. At the time of this writing (June 2007) the government is embroiled with members of the political elite seated in the Congress over its plans for a Constituent Assembly, the elections for which have been rescheduled for September 30.

The conflict over the Constituent Assembly in Ecuador is symptomatic of the profound legitimation crisis in the Latin American

system of domination (Saltos, 2006). Earlier and other forms of hegemony, such as 'globalization' and the trappings of representative 'democracy', have lost their hold over people, having been totally undermined by the all too tangible and visible signs of the negative effects of neoliberal policies. The reign of Washington appears to be in serious decline if not dead. Nor can Washington, in its efforts to preserve the status quo or the status quo ante, revert to the use of force–to bring back the Armed Forces to restore order. Its only recourse is to engage 'civil society' in the project of 'good governance'–to restore political order by means of a broad social consensus (Blair, 1997; OECD, 1997; UNDP, 1996; World Bank, 1994b).

What we see in Quito goes beyond a conflict between two branches of government. At issue is that the people who elected Correa have come to the point of refusing any longer to be subordinated to a state that is controlled by the 'oligarchy' and servile to Washington and the interests of global capital. On achieving representation in the Executive with the election of Correa, the popular movement is all too aware of the fact that the legislature is dominated by the 'oligarchy' (as the ruling class is understood in Ecuador). In this situation, Correa is hardly able to attempt to mediate conflicting interests between the right and left even if he were disposed to do as a member of the political elite, albeit on the left. This situation is the product in part of earlier social mobilizations that resulted in among other things the ousting of four Presidents.

These and other such political developments in Ecuador are illustrative of what appears to be a regional trend. Also, in neighboring Colombia in October 2003 the voters elected a former union leader Luis Garzón as mayor of Bogotá; the election marked a swing to the left in Colombia's second most important elective office, a clear challenge to the pro-U.S., scandal-ridden right-wing government of Alvaro Uribe.

If we take all these developments together, especially in Venezuela, Bolivia and Ecuador, there does seem to be a leftward swing in the political wind, of increasing concern for the Bush White House, which had been so embroiled in Iraq that it failed to attend to political business in its Latin America backyard; and this business is, and has been since the advent of the Cuban revolution in 1959, to advance its own economic and political interests (and dictate government policy); embracing any cause that would help prevent a victory of the forces of the left, which, naturally enough, are ranged against its policies that have undoubtedly greatly benefited the rich and powerful at the expense of the poor, the obvious losers in the game designed and set up by the U.S. and played by its allies and friends.

In fact, the radical left has rarely been a threat to the U.S., and when it has, the U.S. itself, as in the Middle East, created the threat. In most cases, the 'target' of U.S. destabilizing efforts in the region, and the coups that it

instigated over the years, has been governments on the moderate or center-left, as in Brazil in 1964 and in Chile in 1973. Also, in both Central and South America in the 1950s and 1960s the U.S. financed, trained and sponsored one military coup or intervention after another against democratically elected regimes in the name of 'democracy' and 'freedom'. Neither an uplifting story nor a glorious history.

With George W. Bush's visit in March 2007 to Latin America, with stopovers in Uruguay, Argentina, Brazil, Colombia and Mexico, it would seem that the White House finally determined that it had not only lost effective political control, but even influence in the region. It had come to recognize that many of its client states had been booted out of office, its policies opposed by not only by 'the people' but also by a wide range of democratically elected governments.

Three Types of New Regime in Latin America

So, to what degree are these impressions of a leftward change in the political tide valid, able to make sense of political developments in the region? First, we need to distinguish between political developments in civil society–the growth of social movements formed in resistance to U.S. policies in the region–and development in what Gramsci termed 'political society', viz. party politics, electoral dynamics and regime change. Indeed, this is the fundamental, most consequential form that the Left has taken over the last two decades: the MST, CONAIE, EZLN, etc.

At this level Latin America has undoubtedly turned to the Left. Here we can even identify elements of a *radical left* that would include FARC; sectors of some unions/peasant or indigenous movements, neighborhood associations and movements in Venezuela; the Workers confederation CONLUTA and sectors of MST in Brazil; parts of the Central de Obreros de Bolivia (COB), diverse peasant movements and neighborhood groups in El Alto; a part of CONAIE; the teacher's popular movement in Oaxaca and indigenous peasants in Oaxaca, Guerrero and Chiapas. This is a very heterogeneous and internally divided bloc but it is fundamentally oriented against U.S. imperialism as well as neoliberalism; against payment of the debt and it is generally supportive of what the establishment terms a 'populist' and radically nationalist program.

As for the electoral process, it has brought to power three types of regime, none particularly radical (although Chávez in his recent and proposed moves in the policy area of nationalization might prove us wrong). First**,** we have what might be termed a **'***pragmatic Left'*. The orientation and policies of these regimes need hardly concern the U.S.–or only concern those diehard neoconservatives and reactionaries wedded to the dream of U.S. hegemony. Most of the so-called new Left in the region has a liberal, pragmatic or moderate, rather than radical, orientation in

politics and policies. This political bloc includes a multiplicity of electoral parties and peasant federations and unions in Central and South America; the PRD in Mexico; the FMLN in El Salvador; the electoral Left and Workers Confederation in Colombia; the Chilean Communist Party; most politicians associated with Humala's Peruvian nationalist parliamentary party; sectors of the MST leadership in Brazil, MAS in Bolivia; the CTA in Argentina and a minority in the Frente Amplio and the Workers Confederation in Uruguay.

It would include the vast majority of Latin American intellectuals on the Left. Arguably it even includes Hugo Chávez and Evo Morales, although as mentioned Chávez appears to be moving further to the left than anticipated. This bloc is 'pragmatic' because it does not reject or call for the overthrow of capitalism, the repudiation of the external public debt with international creditors, or a rupture in relations with the U.S. despite its imperialist ambitions and persistent efforts to subvert or corrupt local politicians.

In this connection, for example, in Venezuela the banks, both national and foreign, had a rate of profit over 30% between 2005 and 2007. Whether Chávez' admittedly 'radical' plan to establish an inter-state regional development bank is a possible move towards socialism remains to be seen. Less than 1% of the enormously large property holdings have been expropriated for distribution to landless peasants. Relations of capital to labor continue to be tilted in favor of the former. Venezuela and Alvaro Uribe have signed high-level economic and security agreements. While promoting greater Latin American 'integration', Chávez is seeking to do so with Brazil and Argentina, where oil production and distribution is controlled by U.S. and European Macs and investors. Although Chávez reproaches U.S. efforts to subvert democracy in Venezuela, the country provides 12% of U.S. oil imports; it owns 12,000 Citgo gasoline stations in the U.S. and various refineries. The political system in Venezuela is very open to a press that is overtly subversive and hostile to the elected President and Congress. There are numerous NGOs, a dozen parties and a labor confederation in the country financed by the U.S. with the intent and plans to subvert the democratic political process and overthrow a President who notwithstanding his radical rhetoric is eminently pragmatic in his politics.

Chávez's discourse does not square with political realities to date. If it were not for the intransigent hostility and destabilization efforts of the White House, not to mention efforts to sponsor (finance and instigate) coups against him, Chávez would appear the moderate that he actually is. Nor is it likely that Chávez would turn up his radical rhetoric about Bush as a 'devil', the incarnation of evil, which he possibly is, a 'political cadaver', which he also might be, and the 'embodiment of the imperialist

model of colonial domination' which he certainly is. Washington paints Chávez as a 'dangerous radical' because previous regimes in Venezuela in the 1990s were almost sickeningly servile to U.S. interests, bending down to the U.S. without question or charge. If the U.S. were to take Chavez's foreign policy pronouncements with a 'pinch of salt', taking note of the actually very limited state-led reforms implemented over seven years in power–and his excellent relations with pragmatic and dogmatic neoliberals such as Uribe and pragmatic neoliberals such as Lula, Kirchner, and Tabaré Vázquez–we seem to have a pragmatist who the U.S. could easily accommodate and live with.

The only area of possible concern to the U.S. is a series of recently announced (in May 2007) policies that might have more radical political repercussions. One of these policies relates to a proposed program of nationalizations, reverting the privatization policy of the neoliberal model. In this connection, Chávez in February and March 2007 reportedly spent $1.4 billion in order to nationalize the principal telephone/electric companies, including, on Feb 18, purchase of 82% of the assets of Electricidad de Caracas (EDC) controlled by U.S. AES Corporation. However, in this connection there has been no threat of expropriation, only the purchase of corporate shares on the market, to strengthen public ownership in the area.

Of greater concern, however, and ultimately greater political significance, is the more recent proposal to establish a Bank of the South, a new bank that would be capitalized from diverse sources, including the Venezuela government, and obliged to invest its capital productively in the interest of socializing regional development with profits a secondary consideration. Nevertheless, significantly there is no question raised about nationalizing the country's banks and finance systems, a move that would signal a radical break with the neoliberal model or a more radical reform of the capitalist system. Likewise in Bolivia where the government has promulgated a law nationalizing ownership of oil and gas reserves and natural resources such as water. Significantly, this policy and associated legislation only applies in areas where popular mobilization demands nationalization and public ownership. And even in the area of hydrocarbon development, production and distribution operations remains under the control of the multinationals that have been explicitly asked to stay, and, notwithstanding negotiations over royalty and tax rates regimes, their highly profitable operations guaranteed.

A second and the most numerous, political bloc is made up of what could be termed *pragmatic neoliberals*: Lula, Kirchner and Vázquez. And these politicians have many admirers and followers in the liberal or Left opposition in Ecuador, Nicaragua, Paraguay and elsewhere. The politics of these and other politicians is eminently pragmatic vis-à-vis relations

with capital and international financial institutions, notwithstanding a concerted opposition to the US's free trade strategy. At this level these leaders are simply standing up to the U.S. in the competition for market share and in the interest of Latin American agribusiness and corporate capital related to improved access to the U.S. market, which is protected, its producers subsidized. There is nothing radical about these policies. It is simply a question of 'looking after business'– attending to the national interest as the U.S. itself always does (it is the game!) – and within the system.

A third political bloc is made up of regimes, parties and associations of *doctrinaire neoliberals* who faithfully follow the Washington line and the dictates of Wall Street and Washington. This applies to Felipe Calderón in México, who is looking for ways to privatize the lucrative public enterprises in oil and electric power generation; Michelle Bachelet in Chile; and Alvaro Uribe in Colombia, who has received 5 billion dollars of military aid in this decade and who is by some accounts closely associated with some of the most notorious paramilitary death squads, that in an ongoing scandal has implicated not only a dozen of his closest associates and family members but Standard Fruit, distributor of Chiquita brand of bananas. Another erstwhile social democratic and now apparent doctrinaire neoliberal and faithful servant of U.S. interests, is Peru's Alan García, who is busily engaged in the process of privatizing what remains of the country's mineral wealth.

According to Washington and the neoconservative ideologues that inhabit its corridors of power a 'radical populism' and growing anti-US sentiment is sweeping across the region, putting at risk U.S. interests and sapping the political will of governments and policymakers in the region to continue with a policy regime that even Carlos Slim, the Mexican magnate currently third on Forbes' List, recognizes to be economically dysfunctional and unsustainable.

Washington insists that the subversive influence of Venezuela and Cuba, Chavez and Fidel, weakens its position and work against its interests in the region. But this is an extraordinarily doctrinaire position taken by the U.S. government in its concern, and continuing efforts, to dictate policy and create client states in the region. In fact, under the influence of an ideology that defies belief and pragmatic politics, Washington officials willfully misrepresent political realities in the region. But then so does the Left, who also tend to grossly exaggerate the radicalism of Cuba and Venezuela; and persist in seeing pragmatic neoliberals like Lula, Kirchner and Vázquez as 'progressive', grouping them with pragmatic leftists, like Chávez, Castro and Morales. The Left should realize that notwithstanding the decline in U.S. power, and the electoral defeats, or ousting through the popular movement (in Bolivia,

Ecuador, Argentina), of many of its clients from 2000 to 2002, the U.S. has in fact begun to recover its position of influence and power. It would be foolish or illusory of the Left to pin its hopes on the center left regimes that have emerged in the region – hopes of these regimes, and the old political parties behind them, reverting to the neoliberal policies of their predecessors. This is not going to happen.

The relative decline in U.S. power and influence in the region nevertheless is real. But the beneficiaries of the retreat of the doctrinaire neoliberals from power in Latin America, all clients of the U.S., have been the pragmatic or moderate leftists and neoliberals. What this means for the people remains to be seen. The predominant evidence of recent political developments suggests that governments on the center-left only 'give' or respond to popular demands for change if and when the popular sector is and remains actively mobilized–as in Bolivia.

Venezuela is somewhat of an exception to this in that the Bolivarian Revolution, as it is being implemented, 'from above' rather than pressured from below. In fact, it is the regime itself that is working hard to create a political base among the urban poor for its policies. Whether it is able to do this also remains to be seen. The lack of a popular base, pressuring for substantive change, is undoubtedly one of the reasons why Chávez despite his radical rhetoric, has made few real moves to the left–why he is a pragmatic not a radical leftist. At the same time, the need for a popular base and the government's efforts to create one is undoubtedly a major factor in the flurry of recent announcements of policy moves towards the left–towards a socialist path. These policies include a plan to establish a Bank of the South, further nationalizations and, significantly a new socialized property regime in land, 'Collective Property' in productive land as part of a sweeping movement towards socialism.

Notes

1. The basic elements of the new post-Washington Consensus policy agenda under the model of 'sustainable human development' (UNDP, 1996) are: (1) a neoliberal program of macroeconomic policy measures, including privatization, agricultural modernization and labor reform; (2) a 'new social policy' supported by a 'social investment fund' targeted at the poor; (3) specific social programs (policies related to health, education and employment) designed to protect the most vulnerable social groups from the brunt of the high 'transitional' social costs of structural adjustment–and to provide a 'human face' to the overall process; and (4) a policy of administrative decentralization and popular participation designed to establish the juridical-administrative framework for a process of participatory development and conditions of 'democratic governance'.
2. This system includes the Trilateral Commission (TC), the Royal Institute of International Affairs (RIIA), the Brookings Institution, the RAND

Corporation, the American Enterprise Institute (AEI), the American Israeli Political Action Committee (AIPAC), and the Center for Strategic & International Studies (CSIS). As for the CFR, Salbuchi (2003) contends that it constitutes the critically most important element in this 'establishment'– the 'elite power structure'. He argues that although it is not well known the CFR, with its more than 4,500 members, 'is very powerful and has grown in influence, prestige and breadth of activities…[to the point of] operate[ing] as the World's Mastermind, silently directing the course of many complex and highly volatile social, political, financial, military and economic processes throughout the world.'

To name but a few of the more than 4,500 CFR members, Salbuchi (2006) includes the following: David Rockefeller, Henry Kissinger, Bill Clinton, Zbigniew Brzezinski, Samuel Huntington, Francis Fukuyama, Paul Wolfowitz, Condoleeza Rice, Richard Perle, Robert Gates, James Baker III, John Bolton, John Negroponte, former secretary of state Madeleine Albright, international rogue financier George Soros, former chairman and CEO of The Washington Post / Newsweek / International Herald Tribune Katherine Graham (and today her successor son), U.S. vice-president and former Halliburton CEO Richard Cheney, former president George H.W. Bush, Federal Reserve Bank former governor Alan Greenspan and present governor Benjamin Shalom Bernanke, former World Bank president James D. Wolfensohn, reporters like Wolf Blitzer, top CitiGroup directors John Reed, William Rhodes, Stanford Weill, and Stanley Fischer (in turn formerly No. 2 at the IMF), economists Jeffrey Sachs and Lester Thurow, former treasury secretary, Goldman Sachs CEO and CitiGroup director Robert E. Rubin, former secretary of state.

3. Of course, this also applies to the U.S. as in the run-up to George W. Bush's campaign for a second term in office. On 28 July, 2004, a caravan of fifty multi-billionaires met in Boston to defend and secure the electoral victory of the president. In the words of Count Mamoni–to a reporter of *La Jornada* (July 28, 2004) 'We are the rich who wish to ensure that the president who we bought [paid for] stays in the White House'. He adds that 'those of us who were born to wealth and privilege . . .[are] owners of the country [and must continue as such].' One of the participants in the 'Join the Limousine' tour added that 'we are all winners under this government, just some a lot more than others'.
4. The term 'Caracazo', with reference to a wave of protests against the government's neoliberal policies on February 27, 1989, is misleading. In fact, these protests, repressed by the state at the cost of at least 300 lives (the government's tally) and perhaps as many as 3000 (in the popular imaginary), led to rioting in virtually every major urban center in Venezuela.
5. According to the proponents of a Gramscian-type analysis (Morton, 2001), the EZLN and, to a lesser extent the MST and CONAIE, have become vital conduits for the development of an effective counter-hegemonic movement vis-à-vis the dominant neoliberal model of capitalist development. However, in the postmodernist optics of Holloway (1998, 2002) and others (Peláez, Burbach), the Zapatista movement augurs an entirely new type of movement based on a new form of politics: to seek social change without state power

(hardly new, we might add in parenthesis).

6. Marcos' rather poetical language evokes U.S. imperialism in the form of a 'wild beast' whose 'teeth have sunk deeply into the throat of south east Mexico, drawing out large pools of blood (tribute in the form of petroleum, electrical energy, cattle, money, coffee, banana, honey, corn) through [as] many veins-oil and gas ducts, electrical lines, train cars, bank accounts, trucks and vans, clandestine paths, gaps and forest trails (Marcos, 1994).
7. The model of 'sustainable human development' was designed on the basis of widespread consultation That is, closed door meetings) with the World Bank, the Inter-American Development Bank, and the UNDP as well as diverse representatives of 'international cooperation' for development. It was designed along the lines of the UNDP's conception of 'human development' and used in the construction of De Lozada's 'Government Plan for Action' (1993-96). This Plan was preceded by a 'social strategy' to support a 'new social policy' (a poverty-targeted Social Emergency Fund) and followed by a Plan for Action (1997-2002), which, in line with a formulation by CEPAL (1990), for the first time defined the principle of 'equity' as a fundamental pillar of government policy.
8. On the dynamics of this process, see Chapter 4 in Petras and Veltmeyer (2005).
9. The 'water war' of Cochabamba (April, September 2000) was a major watershed in the history of the popular movement, representing the first serious reversal in the Bolivian government's agenda in regard to sovereign control over the country's natural resources.
10. On the dynamics of these struggles, see Chapter 7 in Petras and Veltmeyer (2005).
11. On this see De la Fuente (2001), Sánchez (2003), and Terceros and Zambrana Barrios (2002).
12. Napoleon Saltos, Director of the CMS sees political developments in Ecuador as somewhere between Venezuela, which is implementing from above a sort of socialist plan without pressure from below, and Bolivia, where the government to some extent is subject to the pressures of a mobilized population.

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