

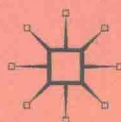
- SOCIAL MOVEMENTS AND TRANSFORMATION -

SOCIAL MOVEMENTS IN LATIN AMERICA

NEOLIBERALISM AND POPULAR RESISTANCE



JAMES PETRAS AND HENRY VELTMAYER



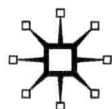
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Neoliberalism and Popular Resistance

James Petras and Henry Veltmeyer



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Social Movements in Latin America

SOCIAL MOVEMENTS AND TRANSFORMATION

This series tackles one of the central issues of our time: the rise of large-scale social movements and the transformation of society over the last thirty years. As global capitalism continues to affect broader segments of the world's population—workers, peasants, the self-employed, the unemployed, the poor, indigenous peoples, women, and minority ethnic groups—there is a growing mass movement by the affected populations to address the inequities engendered by the globalization process. These popular mass movements across the globe (such as labor, civil rights, women's, environmental, indigenous, and anti-corporate globalization movements) have come to form a viable and decisive force to address the consequences of the operations of the transnational corporations and the global capitalist system. The study of these social movements—their nature, social base, ideology, and strategy and tactics of mass struggle—is of paramount importance if we are to understand the nature of the forces that are struggling to bring about change in the global economy, polity, and social structure. This series aims to explore emerging movements and develop viable explanations for the kind of social transformations that are yet to come.

Series Editor:

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Social Movements in Latin America: Neoliberalism and Popular Resistance

James Petras and Henry Veltmeyer

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Acronyms

AFL-CIO	American Federation of Labor and Congress of Industrial Organization
AIFLD	American Institute for Free Labor Development
AIDSESP	Inter-Ethnic Association for the Development of the Peruvian Rainforest
ALAI	Agencia Latinoamericana de Información
ALBA	Alianza Bolivariana para los Pueblos de América
ALCA	Free Trade Agreement of the Americas
ANIPA	Asamblea Nacional Indígena Plural por la Autonomía
ASP	Assembly for the Sovereignty of the Peoples
CAAP	Centro Andino de Acción Popular
CAOI	Coordinadora Andina de Organizaciones Indígenas
CCC	Central Campesina Cardenista
CCI	Central Campesina Independiente
CGT	Confederación General de Trabajadores
CGT	Confederación General del Trabajo de la República Argentina
CICA	Consejo Indígena de Centro América
CLOC	Congreso Latinoamericano de Organizaciones del Campo
CMS	Coordinadora de Movimientos Sociales
CNI	Congreso Nacional Indígena
CNPAMM	Confederación Nacional de Productores Agrícolas de Maíz de México
COB	Central Obrera Boliviana [Bolivia Workers' Central]
COICA	Coordinadora de Organizaciones Indígenas de la Cuenca Amazónica
CONAIE	Confederation of Indigenous Nationalities in Ecuador

CONFENAIE	Confederación de los Pueblos y Nacionalidades de la Amazonía
CSO	civil society organization
CTM	Confederación de Trabajadores de México
CTV	Confederación de Trabajadores de Venezuela
CUT	Confederación Unica de Trabajadores
DEA	Drug Enforcement Agency
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECUARUNARI	Confederación de los Pueblos de la Nacionalidad Quichua
ELN	Ejército de Liberación Nacional
EPR	Ejército Popular Revolucionario
ESF	Emergency Social Fund
EZLN	Ejército Zapatista de Liberación Nacional
FARC-EP	Fuerzas Armadas Revolucionarias de Colombia-Ejército del Pueblo
FDI	foreign direct investment
FEJUVE	Federación de Juntas Vecinales de El Alto [Federation of Neighbourhood Councils of El Alto]
FENCOMIN	Federación Nacional de Cooperativas Mineras de Bolivia [Federation of Mining Cooperatives]
FLMN	Frente Farabundo Martí para la Liberación Nacional
FNC	Federación Nacional Campesina [National Peasant Federation]
FNCMB	Federación Nacional de Cooperativas Mineras de Bolivia [National Labour Confederation]
FOL	Forward Operating Locations
FTAA	Free Trade Area Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
ICIC	Iniciativa Civil para la Integración Centroamericana
IFI(s)	International Financial Institution(s)
IMDEC	Instituto Mexicano para el Desarrollo Comunitario
IMF	International Monetary Fund
IVAD	Venezuelan Institute of Data Analysis

MAS	Movimiento al Socialism
MST	Movimento dos Trabalhadores Rurais Sem Terra
MUPP-NP	Movimiento de Unidad Pachakutik-Nuevo País
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NED	National Endowment for Democracy
NEP	New Economic Policy
NGO	nongovernmental organization
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PFL	Partido da Frente Liberal [Liberal Front Party]
PMDB	Partido do Movimento Democrático Brasileiro [Brazilian Democratic Movement Party]
PRD	Partido de la Revolución Democrática [Party of the Democratic Revolution]
PRI	Partido Revolucionario Institucionalista [The Institutional Revolutionary Party]
PRONAA	Programa Nacional de Asistencia Alimentaria
PSDB	Partido da Social Democracia Brasileira [Brazilian Social Democratic Party]
PSUV	Partido Socialista Unido de Venezuela [United Socialist Party of Venezuela]
PT	Partido dos Trabalhadores [The Workers Party]
RASA	Red de Alternativas Sustentables Agropecuarias
SAP	structural adjustment program
SME	Sindicato de Electricistas de México [Electrical Workers Union of Mexico]
TROLE	Law of Economic Transformation [Ecuador]
UGOCP	Unión General Obrero Campesino Popular
UNCTAD	United Nations Conference on Trade and Development
UNCTC	United Nations Centre on Transnational Corporations
USAID	United States Agency for International Development
WDR	World Development Report
WTO	World Trade Organization

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Introduction

Different studies have shown that between 1982 and 1993—the first decade of capitalist development under the “new economic model” of neoliberal globalization launched in the opening gambit of a new imperialist offensive—those living in poverty increased from 78 to 150 million, in what the Economic Commission for Latin America and the Caribbean aptly termed “*la brecha de la equidad*,” or the equity gap. Behind this poverty, in a decade “lost to development” (zero growth), could be found the agency and dynamics of capitalist development, including a massive diversion of financial resources into interest payments on the foreign debt and the destruction of productive forces in both agriculture and industry. Economists in the mainstream of development thinking, particularly those at the World Bank, attributed this “development” to the irresistible forces of productive and social transformation (“progress”), while many critics, including the authors of this book, see in it instead the agency of imperialist exploitation, an assault on the region’s raw materials and human conditions facilitated by the neoliberal policy agenda imposed by Washington.

As for the masses of people in the popular sector of society, the working classes and the direct producers, compelled to live the conditions of this onslaught on their livelihoods and lives, they were not nearly as sanguine as the development experts. These economists were quite willing and content to believe that the pain and misery of poverty was the price of admission into the new world order—the inevitable and necessary social cost of progressive change. Unlike these economists, however, ordinary people and popular classes were quite disposed to resist these forces of capitalist development and change—to organize collectively and take action against the policies and institutions of the ruling class, including the model of neoliberal globalization used to advance the interests of the capitalist class and their imperialist backers.

If the depredations of US imperialism—what some view as “globalization from above”—created the objective conditions of deprivation or poverty, the community- and class-based organizations in the popular sector of Latin American society created and acted on the subjective conditions of widespread resistance.

Chapter 1 provides an overview of the neoliberal globalization and imperialist exploitation that have given rise to the resistance. As we see it, neoliberalism, globalization, and development are different modalities or forms of imperialism, projects first implemented in the early 1980s to advance the process of capitalist development. In this chapter we identify seven pillars of the imperialist system, constructed via (1) the repression and destruction of the class-based movements of resistance and social transformation based on organized labor and the rural poor; (2) armed force and violence—the policy of neoliberalism from the barrel of the gun; (3) debt peonage—use of the external debt as a lever of policy implementation; (4) an ideology of globalization, to mask the economic interests in play and justify a program of painful policy measures; and (5) when and where required, as in Mexico in 1997 and 2006, electoral fraud to ensure the installation of supportive regimes.

The remainder of the book is essentially an analysis of the different forms taken by the forces of resistance to neoliberalism, and the revolutionary dynamics of these forces. In effect, chapter 1 provides the context for an analysis of the changing forms taken by the resistance over three decades.

We have identified two basic types of strategic response to capitalist development and imperialist exploitation. One is to adjust or adapt, taking them as given and seeking to survive or cope with the conditions that they generate—“everyday resistance” as Scott (1985) views it. This type of response for the most part involves and is based on decisions taken by individuals, each seeking to improve their situation under the available conditions. The other is to resist the forces of capitalist development and imperialist exploitation through collective action, primarily in the form of social movements, organizations formed to mobilize the forces of radical social change.

The first part of chapter 2 focuses on the process of productive and social transformation at the center of the capitalist development process—development of the forces of production within the capitalist system. It takes as its point of departure, and subjects to relentless criticism, the conception of this process found in the World Bank’s 2008 *World Development Report*. From the Bank’s perspective,

the forces of structural (productive and social) transformation are immutable, driven forward by forces that are difficult to manage and impossible to control. The economists at the Bank recognize that widespread poverty is the inevitable result, if not a condition, of this process. However, the conditions of this poverty can be alleviated, and the incidence of poverty in its extreme form, can and need to be made, primarily on the basis of decisions made, and actions taken, by the poor themselves with international cooperation: to migrate in search of better conditions, abandoning agriculture in favor of labor, that is, different forms of employment, which provide greater opportunities for sustainable livelihoods and improving the social condition of the family; or to change oneself from a peasant farmer into an entrepreneur, a necessary means of accessing the capital, technology, and markets needed to make farming profitable and thus sustainable.

The second part of the chapter turns to on the working class and organized labor. A major strategic response to the production crisis of the early 1970s was to change the relation of capital to labor in three ways: (1) by compressing the value of labor-power, reducing as a result the share of wages in national income and increasing the pool of available capital; (2) reducing the power of organized labor to negotiate with capital for increased wages and improved working conditions; and (3) shifting toward a new regime of accumulation based on a post-fordist regime of regulation (increased “flexibility” in the organization of the two major factors of production).

Chapter 2 reviews the efforts of the World Bank, in Latin America, to promote the “structural reforms” needed to bring about this new, more advanced form of capitalist production. The backdrop to this analysis is a radical change in the nature and structure of the working class over the course of two decades of structural reform in the region. A major consequence of this structural change, and the neoliberal policies that brought about or accelerated them, was the weakening of organized labor, a dramatic reduction not only of its organizational capacity vis-à-vis capital but also of its political capacity in mobilizing the forces of resistance. This turned out to be a major *political* development in the 1990s.

Chapter 3 turns to an analysis of the political dynamics associated with the capitalist development process in the agricultural sector of society—“agrarian transformation” in academic parlance. As already noted, capitalist development entails a process of productive and social transformation—a shift in economic activity from agriculture

to industry and the conversion of rural communities of direct producers and peasant farmers into an urban wage-earning proletariat. There are essentially three strategies of structural transformation, each with its own dynamics: *electoral politics* in the quest for state power; *social mobilization* of exploited classes for social transformation through social movements; and *local development*¹ based on the mobilization of social capital,² the one asset that the rural poor are deemed to have in abundance—a strategy devised by the organizations of international cooperation as an alternative to the social movements and a means of demobilizing resistance.

Policies of neoliberal globalization in the 1980s and 1990s gave a new impetus to the forces of capitalist development and agrarian transformation. But this time the protagonists of an ongoing scholarly and political debate as to the fate and future of the peasantry include the peasants themselves in the form of diverse radical social movements as well as international organizations such as Via Campesina. The chapter makes reference to, and departs from, an ongoing scholarly—and political—debate on capitalist development and agrarian transformation. At issue in this debate is the fate and historic role of the peasantry, viewed by many as a spent force, defeated by the forces of agrarian transformation. We join the debate by suggesting—with reference to political developments in Latin America—that, far from disappearing into the dustbin of history, peasants once more stepped onto the center stage of social change.

The argument advanced is that the assault on the working class took three forms—the violent repressive actions of the state, the forces of structural change and structural reforms reviewed in chapter 2, and the broader cycle of neoliberal policies implemented in the 1980s and 1990s. Together, these forces and policies fatally weakened the labor movement, decimating the forces of resistance mobilized by the working class. However, under the same conditions a semi-proletarianized peasantry of landless or near-landless rural workers, and the mass of landless or near-landless rural workers, took action, resisting the latest incursions of capitalism and imperialism in the countryside. Under conditions of imperialist exploitation and neoliberal globalization they led the resistance against neoliberalism in the 1990s.

Chapter 4 analyzes the social movements formed in the context of this resistance to the new world order and its policies of neoliberal globalization. These movements were mostly organized in the 1980s, in response to a second cycle of neoliberal policies, but took action in the 1990s against these policies in another cycle of market-friendly

“structural reforms.” The most dynamic of these movements were peasant-based and -led. The chapter reviews the complex dynamics of these social movements as they unfolded in the context of a third cycle of neoliberal “structural” reform in government policy, moving from resistance to a revolutionary offensive.

This chapter places this question in the context of a broader set of theoretical issues that surround the relationship between the state and social movements. One of these issues has to do with the question of state power and the three different paths, mentioned earlier, toward achieving social change.

To elaborate, the first path to social change is electoral politics, the “parliamentary road” to state power preferred by the “political class” because it is predicated on limited political reforms to the existing system rather than mass mobilization of the forces of social transformation, the path taken by most social movements and oriented toward more fundamental and radical changes in the existing system.

The second modality of social change is associated with a postmodernist perspective on a new form of “politics” and the emergence in theory (i.e., in academic discourse) of “new social movements” (Slater, 1985; Escobar and Alvarez, 1992; Melucci, 1992). In this perspective, the way to bring about social change is not through political action in the struggle for state power but through social action involving the construction of movements advocating an “anti- or no-power” based on social relations of coexistence, solidarity, and collective action.

The third approach to social change has to do with the nongovernmental organizations (NGOs) involved in the project of international cooperation for development. The dynamics of social change associated with this approach—local development within the framework of a “new paradigm” (of “inclusive development”) are explored in chapter 6. The ostensible aim and central objective of this approach to social change is to partner with governments and organizations of overseas development assistance to promote an improvement in the lives of the poor—to bring about conditions that will sustain their livelihoods and alleviate their poverty—and to do so not through a change in the structure of economic and political power, but through an empowerment of the poor. The approach is to build on the social capital of the poor themselves, seeking thereby to bring about improvements in their lives within the local spaces available within the power structure. It is predicated on partnership with like-minded organizations in a shared project (the alleviation of poverty, sustainable livelihoods). Rather than directly confronting this structure in an effort

to change the existing distribution of power, the aim, in effect, is to empower the poor without having to disempower the rich.

Under conditions available across Latin America, and experienced in different ways in virtually every country, each of these three modalities of social change and associated conceptions of power have their adherents. However, in the specific conjuncture of conditions in Latin America, the postmodernist perspective on the “new social movements” has proven to be irrelevant. The most consequential and dynamic of the social movements are all directly or indirectly engaged in the struggle for state power. As for the political dynamics of the struggle the issues are diverse, but the most critical one turns on the relationship of the social movements to the state. This is the central theme of chapter 5, which elaborates on the dynamics of resistance by the social movements mounted by the rural landless workers, the proletarianized and semiproletarianized peasants, and the indigenous communities of Chiapas, Ecuador, and Bolivia.³

Chapter 6 reviews the development project advanced by the World Bank, the operational agencies of the United Nations, and other international organizations. The strategic albeit unstated aim of this project, implemented with the support and agency of NGOs formed and contracted to mediate between the donor (aid-giving) organizations and the “aid” recipients among the poor, is to divert the poor from taking action in the form of social movements. The primary concern of the social movements is to bring about social change by challenging economic and political power in the form of direct collective action. In this connection, the concern of the organizations that share this project is to offer the poor another option—to adopt a less confrontationalist approach to social change; to seek an improvement in their social condition within the local spaces of the power structure rather than challenging the holders of this power. The agency of “development” in this context is to empower the poor—to capacitate them to act and take advantage of the opportunities provided by the system for improving their lot.

The context for the analysis and discussion of the social movement matrix presented in chapters 3–5 was provided by the “structural adjustment program,” with reference to the imperialist policy of neoliberal globalization. In chapter 6 we turn to political developments—and the strategic response of the social movements to neoliberalism—in the new, and somewhat changed if not entirely different, context of the new millennium: a generalized disenchantment with neoliberalism, the dominant target of the social movements; and, at the level

of the economy, the emergence of a primary commodities boom, a period of economic growth preceded and followed by the outbreak and conditions of a systemic crisis. Under these conditions the most significant development was a turn in the political tide with the ascent of the political class on the Left to state power—the emergence of a stream of center-left political regimes. The key questions posed by this development—and taken up in chapter 6—are the significance and meaning of this phenomenon (the turn toward the Left in state power) and the relation of the center-left to the social movements in the fight against neoliberalism and imperialism.

The concern of chapter 7 is with the form taken by the resistance to neoliberalism under conditions of a global crisis as they hit Latin America in 2008, and the form assumed by the social movements under these conditions. Our argument in this respect is made in three parts: first, an examination of the social movements under conditions of the 1999–2002 crisis; second, a perspective on the social movements under conditions of the primary commodities boom from 2003 to 2008; and third, an analysis of the social movements under conditions of the global crisis that hit Latin America in 2008, putting an end to a short-lived primary commodities boom.

As for the strategic responses made to the global crisis, we distinguish between the following: (1) the response of the organizations and individuals that represent the class interests of global capital, the guardians of the neoliberal world order and capitalist system; the strategic response of most governments in Latin America, which has been to insulate the economy from the ravages of global capitalism and the financialization of production, and (2) the response of the social movements in the popular sector, which has been to question, oppose and reject the neoliberal model and imperialist policies used to guide and inform the policy of most governments in the region.

The book concludes with an appraisal of the correlation of forces ranged in support and opposition to capitalism, neoliberalism, and imperialism. As we see it, the turn to the political left in the new millennium has dampened, if not extinguished, the revolutionary spirit awakened by the popular movements in the 1990s. At the level of state power, apart from Cuba, the only regime that can be regarded as on the “Left” is that of President Chávez in Venezuela. But revolutionary forces are building in a number of countries in the region. However, they do have to contest the political space with emerging movements on the right. The prevailing situation of economic and political crisis, like all crises, is generating opportunities and forces