

# Latin America's Turbulent Transitions

Tuesday 28 May 2013, by [FIDLER Richard](#) (Date first published: 11 March 2013).

**A compelling contribution to our understanding of the challenges facing Latin America's 'pink tide':**

**Roger Burbach, Michael Fox, and Federico Fuentes, *Latin America's Turbulent Transitions: The Future of Twenty-First-Century Socialism*. Fernwood Publishing and Zed Books, 2013. Reviewed by Richard Fidler.**

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Latin America was the first region targeted by the neoliberal phase of capitalism, and it suffered some of its worst consequences. But it is in Latin America that neoliberalism has been most contested in recent years by new social movements of landless peasants, indigenous communities and urban unemployed.

In a number of countries, this powerful democratic ferment has led to the election of anti-neoliberal, anti-imperialist governments — a process that started with the initial electoral victory of Hugo Chávez Frias in the late 1990s.

The untimely death of the outstanding Venezuelan leader on March 5 prompted many to reflect on his government's important achievements and the still unresolved challenges facing not only Venezuela but the whole of Latin America.

What is the nature of these new governments of the so-called "pink tide"? And what are the prospects for building a continental movement toward a libertarian mass-based democratic socialism of the 21<sup>st</sup> century, the goal that Chávez embraced and advocated in the international arena?

This timely volume presents an excellent overview and analysis of the major developments in Latin America's "turbulent transitions" in the context of the collapse of the Soviet bloc, the weakening of U.S. hegemony, and the shifts in world trade and investment patterns that have opened new prospects for radical reform in the region. All three authors are well-known for their insightful studies of some of the countries in question. They acknowledge as well the critical assistance of two other contributors, Marc Becker (who wrote the chapter on Ecuador) and Greg Wilpert, founder of the valuable website [Venezuelanalysis.com](#).

Introductory chapters describe and analyze the major developments and trends in Latin America in recent decades. They are followed by country-specific chapters providing greater detail on the experiences in Venezuela, Bolivia and Ecuador. Concluding chapters briefly discuss two countries at

opposite ends of the political spectrum of progressive governments: Brazil (“challenging hegemony and embracing it”) and Cuba, attempting to update its socialism of the 20<sup>th</sup> century.

Although, as the title indicates, a subtext of this volume is the professed effort in some countries to build a “socialism of the 21<sup>st</sup> century,” the term itself (as the authors acknowledge) calls for clarification. Although Venezuela has established that as its goal, no Latin American government (with the partial exception of revolutionary Cuba) has gone beyond capitalism. However, some governments in South America are attempting with notable successes to reverse the ravages of neoliberalism. Each is pursuing distinct strategies tailored to meet the needs of its particular social conditions, subject to the limitations imposed on all of them by their insertion within the global capitalist system.

An opening chapter outlines the international context. “The old order is breaking down with the decline of the United States as the planet’s hegemonic power.” And while Washington is preoccupied with its wars in the Middle East and South Asia, its grip on Latin America has weakened as an emerging China enters this market in search of raw materials to supply its booming economy. China is now the largest trading partner of Brazil and Chile. Its trade with Latin America as a whole increased eighteen-fold in the first decade of this century, while U.S. exports dropped from 55 percent of the region’s total to 32 percent.

Although these shifting patterns do not free Latin America from economic dependency on resource exports, they do give its governments more leverage to diversify economic alliances and strategies, develop an independent foreign policy and ward off some of the worst effects of the global economic crisis. It might be added — although the authors don’t say this — that Beijing generally tends to be much more respectful than Washington of the national sovereignty of its trading partners. Its commercial relations, loans and other development assistance come with fewer strings attached.

In recent years, Latin American governments have been able to develop a number of mutually beneficial regional economic and political agreements (MERCOSUR, UNASUR and ALBA, to cite only those), while rejecting Washington’s attempt to foist a continental free-trade agreement, the FTAA, on the region.

These developments have created space for the more progressive governments to use the increased rents from resource extraction that they negotiate not only to carry out important anti-poverty income redistribution programs but also to begin to develop strategies aimed at endogenous industrialization and relatively eco-friendly processing of raw materials, a necessary step toward increasing economic sovereignty and development.

## **A second independence**

Two hundred years after Simón Bolívar led the movement for political independence from Spain, Latin America is undergoing “a second independence,” say the authors. Bolivarianismo, the name for this movement in Venezuela, “stands for the expansion of democracy and national sovereignty to the fullest extent possible without necessarily going beyond capitalism.” However,

*“the socialist project builds on this foundation, striving to construct deeper, more egalitarian democratic societies by transforming the economic order. Both of these projects are continental in character.... A critical attribute of twenty-first-century socialism is that it is built by social movements and by people organizing from below; it does not arise from government fiat nor from self-defined vanguard parties.”*

Socialism, of course, has deep roots in the Latin American historical experience. Following the triumph of the Cuban revolution, there were many attempts to replicate its success through guerrilla movements in other countries. None was successful, although in Nicaragua the Sandinista guerrillas helped spark an urban uprising that toppled the dictator Somoza.

In Chile a different approach was attempted, with the election of the Popular Unity government led by Salvador Allende. It nationalized key industries, but was soon overthrown by the Chilean military backed by the Chilean bourgeoisie and Washington. The deadly repression that followed, under Pinochet, marked the inauguration of the neoliberal regime described so vividly by Naomi Klein in her seminal book, *The Shock Doctrine*.

The Sandinista government, while supported by Cuba, remained largely isolated. Its electoral defeat coincided with the collapse of the Berlin Wall in November 1989 and the dismantling of the Soviet Union in 1991.

Neoliberalism had devastating consequences in Latin America. Large-scale privatization, deregulation and the gutting of existing social programs demobilized and dismantled working-class organizations. In Bolivia, for example, the powerful miners' unions that had played an instrumental role in the 1952 national revolution were almost destroyed by privatization of the tin and silver mines, the country's economic backbone. Throughout the continent, a vast urban precariat, the "informal economy," was swelled by masses of peasants forced from their lands by agribusiness giants.

Trade and foreign direct investment boomed, but IMF-imposed "structural adjustment programs" prevented national governments from capturing the profits. At the same time, neoliberalism undermined the political legitimacy of Latin American governments, now "with ever fewer policy tools to lower unemployment, fight inflation, protect the environment and the workplace, or guide investment." Parties that had once led nationalist struggles were now implementing neoliberal policies. Economic stagnation, indebtedness and poverty were augmented by successive financial crises (Mexico in 1994, Brazil in 1999, Argentina in 2001-02).

Although the traditional left was paralyzed, and a fragmented working class was unable to provide leadership, the "new multitudes" fought back in spontaneous uprisings that shook the political life of some cities and even countries.

In 1989 the Caracazo, a massive revolt in Caracas against sudden hikes in the prices of basic commodities and services, resulting in the massacre of hundreds, perhaps thousands of the protesters, encouraged nationalist army officers led by Hugo Chávez to attempt a coup in 1992. Although unsuccessful, Chávez emerged a popular hero and was able to win election in 1998. The book's chapter on Venezuela relates chronologically how his "Bolivarian revolution" radicalized in reaction to successive confrontations with the national bourgeoisie and imperialism.

In some countries, new indigenous movements arose, their struggles shaped by both their "long memory" of indigenous resistance to colonialism and (in Bolivia) the "short memory" of revolutionary nationalism, "best exemplified by the 1952 National Revolution when armed miners and campesinos marched on La Paz to demand the nationalization of the mines and a radical redistribution of land." Some like the Zapatistas in Chiapas, Mexico, eschewed the struggle for state power and soon found themselves in a strategic impasse. But in Bolivia the indigenous-led movements waged powerful battles against water nationalization and plans to export unprocessed natural gas, and managed to bring down two presidents, in 2003 and 2005. In December 2005 the candidate of the indigenous campesino party MAS-IPSP, Evo Morales, was elected president.

In Brazil, the movement of landless farmers, the MST, became the largest social movement in Latin America, inspiring the creation of similar movements in other countries. The MST remains independent of the Workers Party (PT), which has formed Brazil's government since 2002. The PT's policies in government "have decreased inequality by expanding a series of social welfare programs for the poor. But they have also embraced financial capital, multinational corporations, and a booming agro-industry completely at odds" with the MST.

### **Overall, but uneven, progress**

While generalizations may obscure significant differences, it is possible to identify some common approaches and policies shared by the new Latin American governments.

**Pursuit of regional integration.** The Cuban Revolution, embargoed by Washington and diplomatically isolated in Latin America, could not have survived without massive aid from the Soviet bloc in its early years. Chile's Popular Unity government of the early 1970s faced not only Washington's hostility but unsympathetic neighboring governments and became a hostage of the country's military, which finally overthrew it. The new leaderships in Latin America operate in a quite different environment. They have managed to subordinate their military forces to civilian control, in a few cases (Venezuela, Bolivia) fostering an anti-imperialist and even anti-capitalist culture among nationalist military officers and recruits. And they have formed a complex network of new alliances to defend and promote regional trade, infrastructures, and political and economic assistance.

The most innovative of these alliances is ALBA, the Bolivarian Alliance of the Peoples of Our Americas, a "People's Trade Agreement" founded by Venezuela and Cuba in 2004, which now includes six other Latin American and Caribbean countries as full members. "ALBA's objective is almost diametrically opposed to the free trade agreements" favoured by the United States and Canada, write the book's authors. It promotes

*"trade on the principle of solidarity instead of competition — a state-centered instead of a neoliberal approach toward integration.... The key concept is to trade and exchange resources in those areas where each country has complementary strengths and to do so on the basis of fairness, rather than market-determined prices."*

An early example of this type of agreement is the exchange of Cuban medical personnel for Venezuelan oil. But ALBA has also been the vehicle for providing literacy training to peoples in other member countries, the creation of supranational enterprises for production of medicines and food, a continental TV broadcaster Telesur, and the regional oil company Petrocaribe supplying fuel at far below world market prices. ALBA has spawned a bank providing low-interest loans for agricultural and industrial development, and is now establishing a currency, the Sucre, as a step toward a common currency for member countries.

ALBA has influenced older regional trade blocs such as MERCOSUR, founded in 1991 by four Southern Cone countries but now including Venezuela. And in 2008 twelve countries formed UNASUR, the Union of South American Nations, which will have a parliament and a common defense council. Other projects include the founding of BANCOSUR, the Bank of the South.

In December 2011 the founding of CELAC, the Community of Latin American and Caribbean States, created a new alliance of 33 countries in the hemisphere, including revolutionary Cuba — but excluding the United States and Canada — as "a direct challenge to the U.S.-promoted OAS, which had dominated hemispheric affairs for decades." As the authors note, "the United States has slowly

lost its historic grip on the region.”

**Anti-imperialism.** In addition to regional integration, many Latin American governments look to multilateralism to counter domination and threats from the U.S. and other imperialist powers. They favour trade and diplomacy with all countries, but especially those such as Russia, China or Iran targeted by Washington because they defy Israel or threaten competition over access to oil and other vital resources.

Even Brazil, which has long acted as a “sub-hegemon, or sidekick to the United States in the region,” has, since the election of the PT government, begun “to carve out a new independent foreign policy,” the authors write. It has not just worked to expand the new continental trade and diplomatic alliances but it has played a pivotal role in standing up to U.S. hegemony — for instance, by opposing Washington’s blockade of Cuba, and sheltering deposed Honduran president Zelaya for weeks in its embassy in Tegucigalpa. And it stood behind Bolivia when that country’s eastern agro-business elites launched an attempt in 2008 to overturn the Morales government.

The record is not entirely consistent. For example, Brazil is the mainstay of the UN military forces occupying Haiti since the overthrow of its democratically elected president Jean-Bertrand Aristide by the U.S., Canada and France in 2004. But even Ecuador, whose President Rafael Correa is reluctant to use the term “anti-imperialism,” has earned its radical reputation in part from his government’s clear opposition to the coup in Honduras (Ecuador was the only holdout when the OAS voted to readmit the coup regime); its support of Cuba (Ecuador was the only country to boycott the Sixth Summit of the Americas because of Cuba’s exclusion); its support of UNASUR (Ecuador hosts its permanent secretariat in Quito); and Correa’s granting of asylum to Julian Assange, the besieged founder of WikiLeaks.

**Neo-extractivism?** The authors note that “none of the pink tide governments entered office on a platform promising a transition to socialism.” They attribute this to several factors, not least the collapse of the Soviet bloc and the fragmentation and smashing under neoliberalism of traditional working-class organizations, the typical base for socialist transformation. Directly confronting the claim of the book’s title, they ask:

*“Can any of these governments be said to have truly embarked on the construction of a post-neoliberal society, let alone a radical anti-capitalist one embedded in historic socialism?... Put simply, how real is the specter of twenty-first-century socialism in Latin America?”*

All Latin American governments are heavily dependent on exports of largely unprocessed natural resources. In the case of Venezuela, Bolivia and Ecuador, hydrocarbons, minerals and agricultural commodities account for more than 90 percent of their exports; but even Brazil, with a substantial industrial sector, derives over 50% of its export revenue from primary commodities.

“Are we just witnessing a neo-developmental twenty-first-century version of the failed import substitution industrialization project of the 1960s and 1970s, or have any of these governments begun to break with the logic of capital?,” ask the authors. They acknowledge the criticism of Uruguayan ecologist Eduardo Gudynas, that none of the pink tide governments has “substantially modified the extractive sector” or lessened its negative social and environmental impacts.

These are legitimate concerns. Excessive dependency on resource exports tends to block economic diversification. And it entails constant conflict with indigenous and campesino populations by contaminating their waters, spurning their ancestral rights and traditions, and violating international law on prior consultation of peoples expelled from their lands. Examples of such practices are legion in Venezuela, Bolivia and Ecuador, among others.

## New development models

Bolivian vice-president Álvaro García Linera, however, is an articulate exponent of an alternative development strategy. His government, he says, has created a “regional space” that goes beyond neo-extractivism. It is indeed exporting more resources, but because it imposes much higher taxes and royalties on this production, some 80 percent of the wealth now stays in Bolivian hands. This is not neoliberalism. “The appropriation of wealth is collective.” García Linera argues that the continent rests on a new economic tripod: the diversification of international markets, greater regional economic ties, and a strong internal market.

The book cites the goals of Bolivia’s “new economic model,” which “seeks to roll back neoliberalism” by reasserting state sovereignty over the economy, promoting industrial processing of natural resources, using the higher rents imposed on resource exports to redistribute incomes through new social programs, and “strengthening the organizational capacity of proletarian and communitarian forces as the two essential pillars of the transition to socialism....”

As García Linera puts it:

*“We try to prioritize wealth as use value over exchange value. In this regard, the state does not behave as a collective capitalist in the state-capitalist sense, but acts as a redistributor of collective wealth among the working classes and as a facilitator of the material, technical and associative capacities of farmer, community, and urban craft production modes. We place our hope of moving beyond capitalism in this expansion of agrarian and urban communitarianism, knowing that this is a universal task, not just that of a single country.”* (quoted pp. 83-84)

It is worth noting, perhaps, that the allocation of increased resource rents to domestic economic and social development strategies contrasts sharply with the way such rents were used in the heyday of neoliberalism. When Third World petroleum producers formed OPEC, the Organization of Petroleum Exporting Countries, in the mid-1970s as a cartel to increase the national income generated by oil exports, much of the new wealth appropriated by the semi-feudal Middle Eastern regimes or neoliberal elites in countries like Venezuela was deployed not to national development but as deposits in imperialist financial institutions — which then loaned out this money to other semicolonial countries, locking them into debt peonage that furthered neoliberal practices when higher interest rates in the 1980s forced them into new borrowing and onerous debt repayment terms coupled with demands for regressive “structural adjustments.”

Bolivia’s development strategy, while still limited in implementation, has its distinct counterparts in Venezuela and Ecuador, where the Chávez and Correa governments have also formulated programs for industrialization and community empowerment that demarcate these countries from others of the “pink tide.”

In Venezuela, notably, the Chávez government has sought to compensate for the relative underdevelopment of social movements — itself linked to the existence of a clientelist state structure inherited from a long history of hydrocarbon and mineral extractivism — by developing alternate forms of community organization, the “communal councils.”

These, it is hoped, will function to some degree as parallel institutions of popular “protagonistic” democracy alongside and even competing with the more traditional bourgeois institutions of electoral and parliamentary representation.

In all three of these countries, new constitutions have been adopted in attempts to refound the state as a more democratic representation of its citizenry — and in Bolivia and Ecuador, to include for the

first time recognition of their substantial indigenous populations (a majority in Bolivia) in new state structures that are explicitly “plurinational” and, in Ecuador, even allocate rights to Pachamama, Mother Earth.

The expectations of popular empowerment these advances stimulate often give rise to conflicts between indigenous-campesino communities (whose right to autonomous organization is now constitutionally recognized) and state efforts to develop transportation and industrial infrastructures and agricultural exports. These conflicts, as over the recent TIPNIS highway project in Bolivia, have attracted considerable international comment and criticism. Bolivian vice-president García Linera, however, describes them as “creative tensions within the revolution.”

There is more, much more, in this rather slim volume. For example, I have not even touched on the important question of political organization and new political parties, or the problems stemming from the lack thereof — a topic discussed at length. This book is a compelling contribution to our understanding of the social forces and challenges involved in these “turbulent transitions” even if, understandably, the authors remain somewhat ambivalent about their ultimate destination.

The authors leave the last word to Brazilian political scientist Emir Sader, who in Gramscian terms writes: “Latin America is living through a crisis of hegemony of enormous proportions. The old is struggling to survive, while the new has difficulty in replacing it.”

**Richard Fidler**

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**P.S.**

\* Richard Fidler. I wrote this review at the request of *Climate & Capitalism*, where it was first published:

<http://climateandcapitalism.com/2013/03/11/latin-americas-turbulent-transitions/>

[http://lifeonleft.blogspot.ca/2013/03/latin-americas-turbulent-transitions\\_12.html](http://lifeonleft.blogspot.ca/2013/03/latin-americas-turbulent-transitions_12.html)

\* Long-time socialist activist and writer Richard Fidler blogs at *Life on the Left*. He recently translated Álvaro García Linera’s book *Geopolitics of the Amazon* for *Climate & Capitalism*.