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Latin America

Between 'argentinazo' and 'Lula effect'

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If in the streets of Venezuela a decisive political and social confrontation is unfolding - both for that country's democratic future as well as in terms of the balance of forces with U.S. imperialism in the region - the experience of the Argentine events and Lula's victory in the Brazilian presidential elections once again poses strategic questions for the left and the social movements.

[<https://www.internationalviewpoint.org/IMG/jpg/22argentina.jpg>]

This occurs in a scenario in which the United States is reinforcing its (economic, political and military) offensive with the aim of placing a 'preventive' barrier to the processes of political change and the dynamics of struggle that are developing in different South American countries. At the same time, Washington is not desisting in its plans to prepare the conditions for a counter-revolution.

December 2001. An impressive revolutionary upsurge shakes Latin America, in which the masses are in the streets involved in expressions of self-organization, ignoring the moribund 'representative democracy' and the corrupt political party and trade union structures, putting an end to the short and pathetic experience of the 'progressive' alliance in Argentina.

One year later, the mass marches to the historical Plaza de Mayo - on December 19 and 20, 2002 - in which thousands of flying pickets, participants in neighbourhood assemblies, workers involved in factory self-management, small-scale savers, and activists in social and trade union movements, human rights organizations, and left parties, confirmed that the vitality of the popular struggle has kept the class struggle alive, in which an alternative solution to the capitalist crisis is being developed... beyond the electoral calendar.

January 2003. Lula takes office as president of Brazil. With 52 million votes behind him, the former steel workers' leader and his Workers' Party are elected to the government. A key battle thus begins in a country that accounts for 40% of Latin America's GDP.

Two poles are being clearly delineated. On the one hand, the policy of alliances with 'productive, national' businessmen, with a 'social pact' between labour and capital, with conciliatory gestures toward the financial markets and a 'friendly' relationship with the United States. This is the strategy being promoted by the majority of the PT leadership after having abandoned the proposal of a 'break with neoliberalism' voted by the last party congress (Recife, December 2001). On the other hand, the long-postponed popular demands, with the enormous social forces accumulated by the urban movements, the landless rural workers, the class struggle currents in the unions, the Christian base communities and a PT left that, while still a minority and dispersed, resists and confronts the ideological-programmatic shift by Lula and the party's majority leadership.

These activist and social forces provided the basis for the phenomenal political victory in the October elections and comprise the backbone of the forces expressing the aggressive and class struggle resistance against the dictatorship of capital and the imperialist recolonization. They are heading up the struggle for a radical change in the living conditions of millions of Brazilians currently unemployed, hungry, and subject to the most horrific poverty.

Both the 'argentinazo' and Lula's victory can only be understood in the framework of a crushing socio-economic debacle, with a crisis of domination of the governing elites and the loss of legitimacy of the 'democratic institutions' of the neoliberal state and the decomposition of their electoral-patronage-based machinery. And, above all, due to the persistence of a broad and radical popular, democratic, anti-neoliberal, anti-imperialist struggle (with a

'spontaneously' anti-capitalist character) that prevents any illusion of long-term 'governability'. This struggle is interrelated with the mobilizations against the fascist coup attempts in Venezuela, the continental mobilizations against the FTAA, Plan Colombia, and the Puebla-Panama Plan, and the payment of the fraudulent foreign debt.

Ideological Operation

Argentina and Brazil. Two counterposed 'models' of how to face neoliberal barbarism? Different analysts, intellectuals, some NGOs, churches of varied origins, political leaders from the 'centre-left' or what's now called the 'progressive camp' - with the blessing of dollars provided by the World Bank, the IDB and different European Union or U.S. foundations - are rapidly mounting an operation.

This involves attempts to derail tactics and strategies, to condemn forms of organization and struggle from 'the past' and to pass judgment on methods of 'collective violence' that are at odds with rationality and that become uncontrollable from the standpoint of the 'rule of law'. They say that the 'conflicts of interest' are to be resolved in the context of 'national unity' and respecting 'civic civility' ... even though almost half of the hemisphere's population doesn't even have the 'right' to eat once a day.

Disguised under the discourse of the least onerous costs, they publicly proclaim the need for a 'just distribution of income' and call for 'dialogues', 'negotiations', and 'new social contracts' as the only way to avoid 'bloody confrontations' or a 'war of the poor against the poor'. For this 'centre-left' and 'progress-oriented' approach, the 'economic reconstruction of a national development model' must occur under conditions of 'constitutional stability' (of capitalism, obviously) and the 'inclusion of those previously excluded'. Therefore, any idea of a democratic or anti-neoliberal break or of a confrontation with the bosses and imperialist capital, is simply a suicidal 'anachronism'. They can tolerate - as a last resort - vague ideological and philosophical allusions to socialism (and if this occurs in academic circles, even better), but they will politically and morally punish any attempt to play out revolutionary strategies.

This operation poses a dividing line. In response to the 'systemic chaos' and the 'psychological insecurity' produced by a revolutionary uprising such as in Argentina, with its corresponding social and political radicalism, its experiences in self-organization, its questioning of private property, and its virulent anti-imperialism and practices involving direct democracy 'from below', the 'national-democratic' counterpart is Lula's 'emulation effect' and 'flexibilization' of measures to guarantee both a system of plural alliances (toward the right, naturally) as well as to possibly opening the door to "people turning - as is now clear in Latin America - toward national-regional productivist options based on the development of domestic markets and recovering the role of the state in key areas such as fiscal policy, health, education, monetary policy, regulations, development strategies, defence, and security."

Temporary Victories

The right-wing victories of Sánchez de Lozada and Uribe in Bolivia and Colombia appear as a breath of fresh air for Washington. Soon the winds of change that blew with such fury in Latin America began to be channelled.

The continued popular uprisings and revolts were coupled with extraordinarily important electoral victories (Venezuela, Brazil, Ecuador) and political-electoral advances that, even though they did not lead to taking office nationally, did modify the scenario of social confrontation (Bolivia). Parties, fronts, and left movements gained mass support as opposed to the crisis of neoliberal candidates and options that were openly aligned with 'globalization' and

the counter-reforms imposed by international financial institutions.

Not even the imperialist press - even with their distortions - can hide their concern for a situation in which "left-wing and neopopulist presidents take office in Latin America", and "the people, lacking an appropriate political niche within representative democracy, are following charismatic, neopopulist and left-wing military leaders ... in a continental tilt toward the centre-left, with a weary population that looks down on discredited traditional politicians."

Positive. The tendency of the 1980s and 1990s is being reversed. The population is now not just voting for 'stability' but is losing its fear of alternatives identified with the left. However, presidents elected with millions of votes and very broad popular support constituencies (workers, peasants, indigenous communities, public employees at different levels, unemployed, women, retirees, sectors of the impoverished middle class, radicalized youth) are taking the road of reaching agreements with the IMF, pledging that they will not adopt measures against the markets and the interests of multinational corporations and that they will continue to meet foreign debt payments, which closes the door to any possibility of sovereign development.

"Will the left-wing political forces perhaps be responsible for taking on the sad role of confirming the debacle of the squalid nation-state, built with great difficulty in our countries in the second half of the twentieth century? Will they be the buriers of what is outmoded but incapable of generating something new?" These are undeniably very pertinent questions raised by Ecuadoran sociologist Francisco Hidalgo Flor.

This is because the temporary nature (provisional or extended in a perspective of defeats or advances in the accumulation of revolutionary experiences) will, in the final analysis, depend on the level of social polarization, autonomous self-organization, and the capacity to introduce programs involving structural transformations of an anti-capitalist character. An obvious additional factor is the conditions to develop a strategy of a struggle for power.

Continuity or Break

This is the dilemma facing Lula and the PT. In this sense, all eyes are on Brazil. This is where a test of key importance is being played out, not only in terms of undertaking the unpostponable socio-economic and political changes that the country and its people need. But also for the Latin American left in the broad sense, and for a radical and socialist left with a commitment to change and a vision of revolution.

Few question the historical importance of Lula and the PT's victory, the break that this victory has meant on different levels and the opportunities that it opens for a substantial modification in the relationship of forces between the working classes, the dominant classes, and imperialism. And in this sense, all revolutionary forces have a stake, to one or another degree, in how this experience concludes.

Although it is clear and definitive: this unique experience - which cannot be compared at all with that of the Salvador Allende government - will be closely linked to the evolution of the party and its internal balance of forces, to the ties of the radical and socialist left to social struggles (without placing its institutional and parliamentary commitments first) and especially, to the central role of the social movements in this process. Therefore and for now, the outcome is an open question.

[<https://www.internationalviewpoint.org/IMG/jpg/2501.jpg>]

However, the road forward begins with problems and the prognosis is sombre. Lula has formed a government based on class conciliation, in which the large-scale industrialists and landowners, imperialist bank managers, members of

the conservative Liberal Party, former officials of the neoliberal Fernando Henrique Cardoso government exist alongside members of the PT with different experiences of political and social struggle. The truth is that the majority of the ministerial cabinet is comprised of party members and leaders. But it cannot be said that the bourgeoisie is only represented by its shadow or in secondary posts. Finance Minister-designate Antonio Palocci, head of Lula's transition team, has presented an outline of a game plan that says it all: "Brazil is a great ocean liner. It cannot be turned sharply." He has emphasized that a change in direction can only be done "gradually" and with a minimum of vacillation. Luis Fernando Novoa, an ATTAC-Brazil activist, makes a serious, rigorous analysis: "In New York, Palocci assured everyone that 'there was no Plan B'. No one has cards up their sleeves or hidden victories. To the surprise and joy of the illustrious usurers, there was nothing behind the mask of Mephisto that was not his own. It was conservatism camouflaged as reformism and not the reverse. The new government's strip tease was complete. At the decisive moment, Palocci preferred the password, 'Do you know Dr. Mireilles?' This was how the new president of Brazil's Central Bank was enthroned by Wall Street.

"Multinational capital is directly represented in the economic centre of the new government. It is the old model of passive insertion based on the liberalization of capital flows, the adaptation to its fluctuations and the maintenance of favourable conditions for foreign investments. Palocci took the trouble to explain, saying, 'We will make severe fiscal adjustments with a policy of profound fiscal austerity; we will reduce the liquid debt in relation to the GDP; based on that we will create a healthy macro-economic environment and then we will take measures for growth.' Since when does wage and fiscal rigor lead to an expansion of the domestic market? Is recession induced by high interest rates the only road for sustained economic growth? Austerity today, growth tomorrow?

[<https://www.internationalviewpoint.org/IMG/jpg/2502.jpg>]

"Indexation and protection of the population's purchasing power is unthinkable. 'The very idea [of indexation] has to be avoided,'" says the minister, interpreter of finance capital. Language must be censored, cut down, and refashioned, like an Orwellian neo-language. Meaning follows arbitrary decisions. The indexation of wages is unthinkable to the same extent that indexation of costs, debt servicing and commodities are indispensable.

"Inflation must be controlled, of course, but not by using exotic measures", like price freezes or lists. A clever way of saying you'll maintain the highest interest rates in the world. The market, when it can, rules, and the government, when it cannot, obeys. Very simple. Palocci confirms it: 'We want to work with the freedom of the market. The market and the economy must come to an agreement.' The government's down payment was made in the latest agreement with the IMF. The 'big stick' was only firmly adjusted because there was consent and agreement. The IMF proposed staying precisely in step with economic officials responsible for one of the world's most lucrative derivative markets: Brazil's public debt market. No false steps can be made. The initial positions were exhaustively rehearsed and choreographed.

"Köhler, the fund's general manager, hiding the creditors' anxiety, says that 'a 3.75 percent primary surplus for 2003 is sufficient'. Palocci, displaying maximum solicitude, responds that the future government's commitment is 'achieving whatever primary surplus is necessary in 2003.' Limits are only acceptable from that side to this. Public spending can be sacrificed in an unlimited fashion. By respecting primary surplus minimums, the government takes on the role of being the nation's executioner. The IMF can thus reply without political costs that are too high. The priority objective is transferring the management of the debt (of budget, interest and exchange rate policy) to the multinational, private sphere, thus keeping it safe from 'political pressure'. The operational autonomy of the central bank is the guarantor of this transfer of power. It is easy to understand the government's effort to pass legislation regulating Article 192 of the Constitution as quickly as possible. The proposal is a self-targeting attack that would be a first strike against any other kind of governability.

[<https://www.internationalviewpoint.org/IMG/jpg/2503.jpg>]

"Even the ECLAC, which no longer bothers anybody, managed to compel the new managers of the Planalto. The proposal is that Brazil and the other Latin American nations back the creation of a multilateral body to renegotiate the

debt that would give automatic access to special lines of credit and emergency funds in order to diminish the risk of unilateral moratoria. The ECLAC is only echoing the debt 'restructuring' model promoted by the IMF. The international financial system did not fail to learn the lessons of the Argentine default. The alternatives are being devised precisely by those who say there are no alternatives. Related to this, in Brazil, the faithful followers of Malanism continue to believe that nothing can be done but complying with recessive aims and taking strict fiscal measures to their logical conclusion. Renegotiation of the debt? Negotiated moratoria? Palocci crosses himself and swears, 'This is not one of our intentions. It is not part of the program.'

"So, the control of capital and the establishment of a new model for financing development are points that are not in the program. Does this mean that deprivatization, national and regional sovereignty and democratization are not in the program either? Who designs the program for the lives of 170 million Brazilians? The new technocracy, instrumentalizing democracy, is turning itself over to the plutocracy."

And the FTAA that 10 million Brazilians rejected in a popular consultation and that Lula himself characterized as a "project of annexation"? The new minister of foreign relations, former ambassador in London for the Cardoso government, goes into it more precisely. It is no longer an "anti-model" of integration, but rather, "the FTAA is a space for negotiating different issues. There are typically trade issues and issues that go way beyond trade, like intellectual property and investments." The magazine 'Veja' publishes the subtitle, "[Paul] O'Neill exited the scene and the PT's anti-FTAA feelings are going to give way to pragmatism." Well, that may or not be the case. What is certain is that the categorical rejection that Aloizio Mercadante was urging a while back has disappeared from the dictionary.

So, this was not by chance. In the Sao Paulo Forum's 11th Conference in Antigua, Guatemala in December 2002, the PT delegation (together with Uruguay's Broad Front delegation) presented a draft proposal on the FTAA that critiqued the agreement in such a way as to open the door to negotiating "another FTAA". Opposition from the Cuban Communist Party and the left forces in the forum (Colombia's FARC, Puerto Rico's Socialist Front, among others) defeated this PT and Broad Front proposal. In the end, the 11th Conference reaffirmed its previous resolutions: "The FTAA as proposed by the United States is a plan for annexation and not a real agreement to integrate the Americas. Given this strategy, we propose an alternative integration that would mainly concentrate on the political and social level." The forum called for "the construction of a Latin American Community of Nations", with the full integration of Cuba, obviously.

November in Havana. The Second Hemispheric Conference to Struggle Against The FTAA: Evo Morales, the coca-leaf grower deputy and leader of Bolivia's Movement to Socialism, issued a call, saying, "I want to say to compa±ero Lula, to compa±ero Lucio Gutiérrez, to compa±ero Hugo Chávez, that they should be on the side of the people and not the side of the multinationals. I call on them, in the name of our peoples, not to enter into the FTAA. It is enough for Lula not to enter the agreement, and there will be no FTAA for Latin America. If we add to that compa±ero Hugo Chávez, compa±ero Lucio Gutiérrez, for the first time in Latin America, the empire can be defeated." Did they hear him?

Green Berets

The discourse about "the spectre of the axis" (Castro-Chávez-Lula-Gutiérrez) frightens no one. And it is not even useful for justifying interventions. The United States mistrusts "left neo-populism", but it fears the Ecuadoran indigenous movement, Brazil's Landless Movement, the masses who defended the Bolivarian Republic of Venezuela in the streets, Colombia's armed insurgents, Bolivia's indigenous/peasant movement, and, of course, the radicalized masses in Argentina more. In a context of political instability and crisis of the neoliberal elites, imperialism puts aside its media gyrations and brings out its counterrevolutionary weapons.

It has two priorities: bringing down Chávez, defeating the popular movement and the revolutionary Bolivarian organizations; installing a lackey government that ensures the investments of US companies and the supply of oil. If Gaviria and the OAS do not manage to impose a "democratic negotiation" (that favours the right wing coup plotters) Chávez's government will continue to be destabilized through other means. Simultaneously, the idea is to extend Plan Colombia (the Andean Regional Initiative) to Ecuador and Peru: crush the FARC and the ELN, integrate paramilitary units as legal participants in Uribe's counterinsurgency and ensure that the oil there will also be American.

This is armed neoliberalism in its most brutal form. In September, the new head of the Southern Command, Texan General James Hill went to Buenos Aires. In October, 10 days before Lula's election, in Uruguay's parliament, he characterized Brazil as "the world's second largest consumer of cocaine". He proposed integrating the armed forces and the security forces into a single repressive structure. He also expressed Washington's concern about the so-called "empty zones" and "ungovernable areas". He re-emphasized the danger of the tri-border area (Argentina-Paraguay-Brazil), where Palestinian "terrorists" hide out and are financed.

November 2002. The Fifth Conference of Defence Ministers was held in Santiago, Chile. Special guest: Donald Rumsfeld. Among other points, the document says, "[we must] strengthen inter-institutional and intergovernmental coordination of the security and defence regimes that would allow the population to be protected". To do so, it proposes carrying out "combined exercises of the armed forces and public security forces "such as the US Green Berets and the Argentine Gendarmería-a.

This was the welcome given the inauguration of the PT administration. While Duhalde was embracing Lula and proclaiming the MERCOSUR a "strategic Project", he left behind a piece of legislation signed into law that allowed for special US troops to occupy positions in the Misiones province while Lula was being inaugurated as president. Meanwhile, the Green Berets are already ensconced in the province of Salta without even the authorization of the Argentine Congress.