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The Right-Left Crossfire and the Post Neo-Liberal Left

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Introduction

The post neo-liberal regimes which flourished in five Latin American countries in the first decade of the 21st century were a product of three inter-related historical processes. The breakdown of the neo-liberal development model, which in turn ignited mass popular movements for radical political-economic transformations; the incapacity of the mass movements to produce a viable alternative worker-peasant based regime; the beginning of a decade long mega commodity boom which provided a huge influx of revenues which allowed the center-left regimes to finance a capitalist recovery, and secure support from the extractive capitalist sector and finance generous increases in wages, salaries and pensions.

These hybrid, extractive capitalist-national-populist regimes were repeatedly elected until the middle of the second decade of the 21st century. The capitalist-populist electoral coalition encountered major opposition with the end of the commodity boom. The fall in world-market prices led to demands by the techno-capitalist elites for measures of fiscal constraints aimed at reducing social expenditures. At the same time they insisted the regimes grant fiscal largesse for the agro-mineral elite by lowering capital gains taxes and increase fiscal incentives for investors.

As a result, the end of the commodity boom led to the termination of the center-left brokered “consensus”. In its place the regimes faced a right-left crossfire: rightwing business associations led successful electoral challenges and large scale street mobilizations, and the left-wing trade unions and social movements resisted through strikes in defense of existing social gains. The question raised by this left-right crossfire is whether this spells the end of the post neo-liberal, hybrid regimes and the return of neo-liberal regimes or class based leftist politics?

What is not in question is the increased class polarization and the challenges to the stability of post neo-liberal regimes.

Clearly the global conditions which sustained the broad social coalition of post neo-liberalism have changed for the worst. The deteriorating prices of commodities and the corresponding decline in revenues that sustained it are no longer present.

The conditions are set for a change in development strategy and socio-economic policies. These changes will necessarily result from the nature and impacts of the attacks from the crossfire between Right and Left.

We will proceed by analyzing the nature and impact of the Right-Left crossfire under five post neo-liberal regimes in Ecuador, Argentina, Brazil, Bolivia and Venezuela.

We will then proceed to evaluate the relationship of class forces resulting from this conflict and the probable outcomes, including the ways in which the post neo-liberal regimes respond to the crossfire.

Finally, we will address the reason why, in the immediate aftermath of the decline of the post neo-liberal regimes, the Right will probably return to power, rather than the Left.

Ecuador: President Correa and the Right-Left Crossfire

Throughout the months of June-July 2015, a coalition of business, banking and big city mayors led large scale demonstration opposed to progressive inheritance and excess profit taxes proposed by President Correa. At the same time, the left led by CONAIE and a sector of the labor movement also organized mass protests denouncing repressive labor reforms and oil exploitation contracts encroaching on Indian communities.

President Correa convoked large scale pro-government demonstrations backed by supporters of his “Citizens Revolution” and sectors of the Indian and trade unions.

The rightwing-business mobilization which began as a tax protest escalated toward calls to oust the government – a coup.

The Right-Left opposition, however, faced a mobilized public, which included large sectors of the urban middle and lower class.

In the confrontation, the Rightwing opposition movement was far stronger and better organized than the Left – and more likely to be the principle beneficiary of any coup.

While a coup attempt is possible, the Right is firmly ensconced in institutional power , namely they control three of the most important municipal governments. The Right is not likely to risk a coup which, if defeated, would lead to strengthening Correa’s Presidency.

The anti-Correa left seems to reject the idea that what is at stake in this confrontation is the question of democracy. For the left the ouster of Correa is the primary objective. They ignore the fact that a ‘regime change’ would mean a return to oligarchical pro-US rulership and the end of democratic rights.

Correa’s strategy of relying on extractive capital to finance social reforms, has strengthened the Right economically, while alienating sectors of the progressive Indian movement. He has in turn used state revenues to reach the non-CONAIE Indian communities especially in the Amazon region.

The Right in 2014 gained electoral victories in major cities thanks to the end of the commodity boom. Even if the coup fails, they have at least forced Correa to retreat and withdraw his inheritance tax.

Argentina: the End of Kirchnerism and the Return of the Hard Right

Despite repeated electoral victories based on a decade of social reforms financed by the extractive commodity boom the Nestor Kirchner – Cristina Fernandez regimes have not created a distinct political presence capable of challenging the resurgent neo-liberal right.

The “Front for Victory” party which supports President Fernandez is made up of rightwing Peronists, provincial neo-liberals (supporters of ex-President Menem) and a motley collection of trade union officials and political opportunists.

Facing the end of the mega commodity boom and the decline of government revenues, the post neo-liberal regime of Fernandez deepened ties with the major foreign oil companies. The regime turned away from indexing wages and salaries to rising inflation which provoked a wave of strikes from left and rightwing trade unionists.

The rightwing mayor of Buenos Aires, Macri and his Republican Proposal Party (RPP) tightened its control over the capital and waged war on the regime. Backed by the major agro business, banking and industrial associations, the RPP is a serious contender to win the Presidential elections.

The Frente de Izquierda de los Trabajadores (FIT) and related left wing parties received approximately 7% of the vote in the Buenos Aires municipal elections. However, one sector of the left trade unions have played an ambiguous game. The ‘Partido Obrero’ (the Workers Party) has mobilized its trade union activists in common cause with rightwing Peronist union bosses in general strikes and road blockages.

Clearly the main beneficiary of the demise of the Kirchner era, and the dissolution of the progressive coalition backing it, will be the neo-liberal right led by Macri and the right wing Peronists.

Even President Fernandez’s choice of right wing Vice President Scioli as a Presidential candidate is a recognition that the capitalist-worker alliance is finished.

The Right Peronists allied with the agro-financial-industrial elite will compete with the far right neo-liberals for office.

The left will be marginalized from the electoral process and will rely on its trade union militants to forestall major reductions in social expenditures, public sector salaries and the deepening of the extractive capitalist model.

If the past and present is any indication, the left trade unionists will concentrate on wage-salary struggles and street action in opposition to privatization of public enterprises that lead to the discharge of workers and the reversion of collective bargaining agreements.

In summary the political advance of the class struggle from above will narrow the focus of the struggle from below to a defensive mode.

However, it is likely that the adoption of radical neo-liberal measures will lead to greater inequalities, unemployment and devastation of the environment. Corporate environmental damage should fall heaviest on the provinces away from the concerns of the Buenos Aires right and left. Mass ecological protests are likely in the provinces.

Recent history teaches us that the implementation of neo-liberal measures leads to great imbalances and volatility. The model is prone to deep crises, such as took place in 2000 – 2003. The very success of the class struggle from above in imposing its policies provides the bases for a return of intense class struggle from below. This was the case a decade and a half ago (2001-2003).

Brazil: The Post Neo-Liberal Lefts' 'Conversion' to the Rightwing Agenda

While the class struggle from below politicized and mobilized the electorate to vote into office the Workers Party (WP) in 2002, and re-elect it three times, at no point did Presidents, Lula Da Silva and Dilma Rousseff move beyond the neo-liberal policies of their predecessors. Instead, taking advantage of the commodity boom and huge influx of revenues from high oil, iron, soya, beef and other agro-mineral prices, the PT regimes increased social expenditures, the minimum wage and easy credit for mass consumption.

The PT, with the collaboration of its trade union affiliate the CUT, replaced class consciousness with mass consumerism.

The class struggle in the factories and the countryside diminished, as the CUT and MST negotiated agreements with the regime. The PT, in turn, increasingly depended on large scale bribes and swindles with major construction companies to finance its electoral campaigns and to purchase the loyalty of opposition congresspeople in order to pass legislation.

The PT under Lula organized Brazil's biggest clientelistic , multi-billion dollar anti-poverty program. The PT regime financed a \$60 dollar monthly family subsidy program that ensured large electoral majorities in the Northeast of Brazil.

The left opposition to the PT, both electoral and trade union, was marginalized. In contrast the right wing PMDB allied with the PT, in a power sharing agreement, to pass legislation and share the multi-billion dollar windfalls from the bribe taking. The neo-liberal Social Democratic Party retained positions of power in Sao Paulo including the governorship.

With the end of the commodity boom (2012-2016) the economy stagnated. Revenues to fund the clientelistic programs diminished. The foreign flow of capital declined. Trade and fiscal deficits emerged. The PT's large scale pillage of the public oil giant Petrobras provoked mass unrest, led by the upper and middle class.

The PT's extravagant spending on sports complexes for the World Cup Games and the Olympics outraged the urban middle and lower classes. They organized multi-million mass protests over deteriorating educational, health and transport facilities and the lack of public housing for the poor.

The PT was caught in a Right-Left crossfire. President Rousseff responded by adopting the entire political economic agenda of the neo-liberal right. Social expenditures were cut, pensions and poverty programs were reduced.

Rousseff appointed hardline neo-liberals to head the Finance and Agricultural Ministries.

Rousseff pledged to privatize the majority of infrastructure – ports, airfields, highways and railroads.

Rousseff agreed to break Petrobras public monopoly on off-shore oil exploitation, auctioning off to Shell the most lucrative sites.

In other words instead of resisting the advance of the upper class struggle from above, Rousseff joined it and implemented its agenda.

In contrast, on the Left, the urban mass movements rose and fell or were reduced to occasional local protests. The CUT and MST remained passive or even supported the Rousseff regime using the pretext of a mythical coup threat.

In other words, the class struggle from above led by financial, agro-mineral and commercial capital found a willing accomplice in the PT President .

The conversion of the PT into an ally of the hardline neo-liberal Right was also evident in Rousseff's pledge of collaboration on promoting free trade with the Obama regime, thus backing Washington's drive to re-assert hegemony in the hemisphere.

If the class struggle from below brought the PT to power, the very same party neutralized and disarmed and ultimately betrayed their former allies by embracing the economic elites, who were engaged in class struggle from above.

The correlation of forces in this new context is heavily weighted in favor of a rightwing return to power and a prolonged period of class struggle from above in the pursuit and implementation of a radical neo-liberal agenda.

Bolivia: From Left-Right Confrontation to Accommodation and Continuity

The center-left government of Evo Morales has swept to three electoral victories (2005-2016); secured the backing of the major trade union and peasant confederations; and proceeded to deepen the extractive capitalist model, despite the decline in world commodity prices.

Morales party, the Movement to Socialism (MAS) was the prime beneficiary of the worker-peasant uprisings of 2003 and 2005 which ousted neo-liberal Presidents Sanchez de Losada and Carlos Mesa. With mass support and the backing of the Armed Forces, President Morales easily put-down a coup (2009) originating in Santa Cruz and backed by the US Ambassador, USAID and the Drug Enforcement Agency.

As the MAS government consolidated its hold over national, state and municipal governments, its ranks were filled with opportunists defecting from other parties – diluting its original popular base.

At the center of policymaking, especially in the economic realm, technocrats and fiscal conservatives predominated.

Morales utilized anti-imperialist rhetoric, criticizing US imperial wars and intervention in Venezuela and Honduras and elsewhere, to disarm critics of his extensive links to dozens of foreign multi-national mining corporations operating in Bolivia.

He embraced ‘Mother Earth’ rhetoric, while opening highways and mining operations in nature preserves (TIPNIS).

Through co-optation of trade union leaders and incremental wage increases’ Morales de-radicalized the trade union movement. Through symbolic representation, anti-poverty spending and regulation of coca farming he secured the support of the bulk of the Indian movement.

In effect Morales has de-radicalized the working class-Indian movements, while encouraging the growth and prosperity of his new allies among the agro-mineral elites.

The result has been a resurgence of a ‘new right’ based on the middle class in the principle cities.

The ‘new right’ attacks widespread, large scale corruption in state and municipal government. It exploits popular grievances over the failure of MAS officials to implement socio-economic programs and the abuses of power by the governing elites.

In the state and local elections of 2014, the MAS suffered major defeats in La Paz, Cochabamba, Santa Cruz and most other cities, including in its former proletarian bulwark El Alto.

The decay of the MAS, and the rise of the Right and, to a lesser degree, the eco-socialist left, has, however, not directly affected the popularity of Morales. He was quick to decry the corruption rampant in the MAS and call for a ‘rectification’.

The shift in the correlation of forces toward right-wing resurgence, however, is tempered by the working relations emerging between local and state opposition officials and the national government.

While ideological differences persist, Morales moderate socio-economic policies, especially his conservative fiscal and pro-extractive policies, neutralize any right-wing challenge for state power.

The leftwing attack on extractivism has received backing from several peasant leaders and NGOs. MAS policies promoting agro-exporters has alienated landless peasants. The mostly symbolic representation of Indians has provoked opposition from militant Indian leaders.

Nonetheless, the left-Indian-ecology opposition remains fragmented. The left has been unable to fashion a national political coalition, to compete electorally with the MAS and the middle class right. Their main venue is street protests, road blockages and public demonstrations.

In the meantime the right has secured local and provincial political platforms to challenge the Morales regime in future elections.

Venezuela: The Right-Left Confrontation

Venezuela has been the center of the most intense class struggle in Latin America for over a decade and a half.

On the one hand, the upper-class and the US have resorted to every instrument of class struggle from above. These include a military coup (2002); a bosses lockout of the strategic oil industry in 2002/3; a recall referendum and violent street protests leading to 43 deaths in 2015/15; capitalist induced consumer goods shortages; paramilitary operations; contraband activities to provoke scarcities; US funded electoral campaigns.

In response the Venezuelan Socialist government under the leadership of Hugo Chavez and Maduro, backed by its mass organizations – trade unions and community based movements and the loyalties of the military – has mobilized and defeated rightwing violent assaults in the streets, factories and fields as well as at the ballot box.

The Venezuelan Socialists combined the struggle from below with radical structural changes by the government. In response to the failed coup thousands of community based councils were formed. In response to the oil lockout, the oil workers and technicians took control.

The government nationalized and reallocated oil revenues to finance vast social programs, raising income, instituting a free national health program and establishing tuition free universities.

The class struggle in Venezuela was internationalized. The US established seven military bases in Colombia and trained paramilitary death squads for cross border attacks in Venezuela. The Venezuelan government responded by supporting popular struggles in Colombia.

Washington launched an international “war on terror” – a pretext for wars in Iraq, Syria, Libya and Yemen; Venezuela opposed it and rallied support in Latin America.

Washington sought to secure a US centered Latin American Free Trade agreement. Venezuela and its center-left allies in Latin America rejected it.

Venezuela countered by organizing and backing two new regional organizations which excluded the US: ALBA for the Andean countries and Petro Caribe including mainly Caribbean and Central American countries.

Throughout the greater part of the decade and a half of class struggle (1999-2015) the correlation of forces favored the leftist Venezuelan government over the US backed Venezuelan rightist elites.

To a large degree the intensity of the bipolar class struggle precluded the emergence of a tri-polar struggle as is the case in Ecuador, Brazil and Argentina.

Most of the radical left functions as tendencies within the Venezuelan Socialist Party. Likewise on the right, the divisions between the electoralists and the coup advocates are blurred, especially during elections and street confrontations.

The intensity and duration of high levels of class struggle in Venezuela, is largely a function of the deep and pervasive involvement of the US imperial state in all facets of the class struggle.

As we have seen in Bolivia and Ecuador, and more so in Venezuela, the intervention of the US imperial state agencies exacerbated class struggle by escalating the organizational and material resources to the upper classes. This forced the center-left in the Socialist Party to radicalize its socio-economic to secure mass support.

US destabilization efforts in Venezuela served as the catalyst for President Chavez to adopt a socialist, anti-imperialist agenda and to promote the wide diffusion of socialist ideology among the popular classes.

In a word, the combination of upper class socio-economic and US imperialist demands reinforced the extremist nature of the class struggle from above. Rightwing extremism in turn provoked a radicalization of the class struggle from below.

The intransigent Venezuelan upper class – US opposition to redistributive socio-economic policies, their total rejection of an independent “Bolivarian” foreign policy and increased social expenditures, forced the Socialist government to take measures changing the structures of property ownership: the government expropriated oil and bauxite firms, large scale farms and several factories.

However with the onset of the collapse of oil prices, the class struggle from above gained momentum. The Socialist government is vulnerable because it did not diversify its economy. As a result, as revenues declined, social programs were reduced.

Private capital remained dominant in the retail and banking sector. Taking advantage of their strategic positions the elites induced shortages and capital disinvestment, provoking shortages and unemployment.

The death of President Chavez created a leadership problem. In response the US intensified its support for groups engaged in violent destabilization campaigns, attempting to lay the groundwork for an upper class electoral victory in the Congressional elections in December 2015 as a prelude to a referendum revoking President Maduro's term in office

Under conditions of economic stagnation, declining revenues, consumer goods shortages and inadequate administration responses, the class struggle from above has advanced. The class struggle from below has shifted into a defensive mode.

This raises the question of whether the left's decade long favorable correlation of forces can continue in the immediate future.

Conclusion

The decade long commodity boom coincided with the rise of center-left parties and the eventual 'moderation' of intense class struggle from below.

The key to the rise and dilution of the class struggle is found in the changing political, economic and global context in which it is located.

In most instances, the mass socio-political movements, when fully mobilized, can establish a favorable correlation of forces as evidenced in the overthrow or electoral defeat of incumbent neo-liberal regimes. However, the proponents of class struggle from below have difficulty in forming a worker-peasant government.

In all cases, except Venezuela, center left political leaders rose to power and filled the political vacuum. While they initially met some of the immediate popular demands, in the course of ruling, they diluted and de-radicalized the class struggle from below.

The case of Venezuela is exceptional in part because of the continuous intervention of the US imperial state which undermined the possibility of a successful center-left political compromise between capital-labor.

The correlation of class forces is in constant flux, reflecting larger political and economic processes. In the context of the demise of neo-liberalism, the class struggle from below became the radical axis of political power. The class struggle from below gained adherents among broad sectors of the impoverished middle class, the unemployed and the self-employed.

The ascendancy of the center-left governments had a major impact in moderating the class struggle.

The capitalist class recovered its influence as the economy prospered and the popular classes were de-radicalized.

The end of the commodity boom, created a zero-sum situation, in which the center-left turned right and the capitalist class launched a new wave of class struggle from above.

As a result, the class struggle from below, much weakened, took a ‘defensive turn’ trying to secure the reforms achieved over the previous decade.

In other words, the social dynamics of the class struggle is deeply influenced by two key factors: the state of the economy (breakdown, stagnation) and the class nature of the political incumbents (neo-liberals, center left).

When rightwing neo-liberal regimes preside over economic breakdowns, the class struggle-from-below gains ascendancy.

When the economy goes into crisis under a center-left regime and the commodity boom ends leading to economic stagnation, class struggle-from-above gains force and the Right moves to take state power.

These tendencies are deeply influenced by the role and intervention of the US imperial state. By radicalizing the class struggle from above, the imperial state destabilizes center-left options and deepens the class struggle from below.

The weakening of the economy and the neoliberal compromises of the center-left results in the triangulation of the class struggle between the rising right, the retreating center, and the defensive left.

Throughout Latin America, the class struggle is a constant. As Karl Marx rightly observed, it is ‘the motor force of history’. But in each period, as we have seen in our case studies, the direction of ‘history’s’ movements is largely dependent on which class forces dominate.

The likelihood of a revival of intense class struggle from below is high, given the data recently published by the World Bank’s Vice President for Latin America and the Caribbean. According to the WB report, the de-acceleration of the Latin American economies threatens to relegate over 40% of the population, back into poverty (208 million people) (La Jornada 7/9/15, p. 1).

This group which recently emerged from poverty is “vulnerable” because in large part its improvement was a result of the commodity boom – which has ended.

Downward mobility of this class may initially adversely affect the center-left, but it will likely move left when the right returns to power. Downwardly mobile middle classes ‘gyrate’, looking for salvation from whichever classes can stabilize their position and prevent their impoverishment.