

# New Challenges to Global Capital in Latin American Battle of Ideas

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At a moment when the Bush administration is facing a quagmire in Iraq and growing opposition to its policies at home, Latin America may not appear to be its central area of concern. Yet events there are becoming as worrisome to it as those in the Middle East.

A left-wing government under Evo Morales took power in Bolivia in December; a radical who favors nationalizing U.S. mining interests, Ollanta Humala, is hoping to become the president of Peru in April; and a left-of-center government may take power in Mexico if Andrés Manuel López Obrador of the PRD wins its presidential election in July. Meanwhile Venezuelan President Hugo Chavez's effort to create a "counter-hegemonic pole" to the U.S. is becoming an increasing irritant to the Bush administration.

The move to the Left by Latin America's electorate is only one reflection of a continent in upheaval. In Ecuador the Confederation of Indigenous Nationalities last month called for a nationwide uprising to protest a possible free-trade agreement with the U.S. In Colombia, the government is being sharply criticized for signing a free trade agreement with the U.S. in late February that may throw 2.5 million Colombians out of work once tariffs are lifted on U.S. agricultural imports.

From Mexico to the southern cone, Latin Americans are expressing disgust with decades of U.S.-sponsored neoliberal restructuring that has sunk 44% of Latin Americans into poverty and made income disparities between rich and poor even worse than ever.

## **BUSH'S FAKE TALK OF 'DEMOCRACY'**

That the Bush administration's policy towards Latin America is coming apart at the seams was seen last fall when its Free Trade Agreement of the Americas died in the face of withering attacks by Chavez and other Latin American leaders. Although the U.S. since then has tried to promote an Andean Free Trade Agreement, Morales' election has left that

in tatters as well. The administration is responding to this situation by accusing its critics of being “undemocratic.”

In February Defense Secretary Donald Rumsfeld said of Chavez: “He’s a person who was elected legally just as Hitler was elected legally and then consolidated power and is now, of course, working with Castro and Morales. It concerns me.” Director of National Intelligence John Negroponte (ambassador to Honduras in the 1980s when the U.S.-supported government murdered thousands of people in Central America) stated a few weeks later that Chavez is a threat because he is “diminishing freedom of the press” in Venezuela.

Aside from the fact that these advocates of domestic spying, torture, and the use of death squads against liberatory forces in Latin America are hardly in a position to lecture others about “democracy,” one thing that cannot be said of Chavez is that he has ended freedom of expression. The open and vibrant debate that is taking place in Venezuela over whether or not his “Bolivarian Revolution” is a viable path to the future is proof of it.

A lively debate is in fact taking place in Latin America today among democratic grassroots groups of indigenous peoples, feminists, workers, national minorities and youth. There are few places to get a better sense of the battle of ideas taking place there than at the World Social Forum (WSF), held in Caracas, Venezuela in late January.

### **THE WORLD SOCIAL FORUM**

This year’s WSF in Caracas, attended by 80,000, took place in a radically different context from last year’s gathering in Porto Alegre, Brazil.

Last year’s event was held in the midst of growing mass disillusionment with the accommodationist stance of Lula da Silva’s Workers’ Party (PT). Although the PT came to power through decades of struggles by movements from below of metal workers, feminists, Christian base communities, and the Landless Peasants’ Movement, Lula has adhered to the neoliberal policies that the masses expected him to challenge.

No mass upsurge preceded Chavez’s rise to power. He became president through a national election in 1999 after having earlier staged an abortive military coup. Since then, his promotion of what he calls “Bolivarian Socialism” has created an opening that many in Venezuela are using to promote radical demands, at the same time that many questions are being asked about where his “revolution from above” is headed.

The Venezuelan political context directly impacted this year's WSF. It had a larger presence of traditional Marxist-Leninist tendencies than previously. For the first time 850 participants attended from Cuba.

Most important, whereas at previous WSFs it was rare to hear extended discussion of "socialism," let alone a serious analysis of what constitutes a non-capitalist society, this year's WSF was dominated by much discussion of socialism—in part because Chavez has anointed the "Bolivarian Revolution" as a project of "socialist reconstruction."

The question is what is meant by such discussions of socialism and whether the radicalization that characterizes Venezuela today will accentuate or impede the search for a viable alternative to capitalism.

### **BATTLE OF IDEAS IN VENEZUELA**

Chavez's attraction for many inside and outside of Venezuela lies in his attacks on Bush and in his effort to funnel Venezuela's oil wealth into social programs.

Chavez is using a fourfold increase in oil revenue since 1999 to forge a "counter-hegemonic" pole to the U.S. He is selling oil at below market prices to several friendly Latin American countries. He has floated bonds to help Argentina pay off its debt to the International Monetary Fund. And he is also trading oil for commodities (like soybeans) as part of an effort to curry favor with Morales' Bolivia.

His ambitions extend even further. He is forging close relations with China and talks of using its technological expertise to bypass Venezuela's dependence on the U.S. He is also trying to forge a "strategic alliance" with Iran. Venezuela is one of only a handful of countries that opposes placing restrictions on Iran's access to nuclear technology. This is occurring at the moment when Iran's right-wing president is cracking down on its labor movement, as seen in the arrest last month of 1,000 striking bus drivers (see [Tehran bus strikers appeal for solidarity](#)).

Inside Venezuela, Chavez is solidifying his mass support by funneling much of the nation's oil revenue into social programs. This year 41% of Venezuela's budget is earmarked for spending for health care, literacy, housing, and other needs. It represents the largest and most comprehensive program of social spending in Latin America.

He has also set up a dozen "missions" that provide emergency health, education, and welfare as well as paid subsidies to the poor. The missions are financed out of the growing oil revenue under a separate budget subject to Chavez's personal discretion.

While many at the WSF hailed these moves as proof that Venezuela is moving in a “socialist” direction, such policies have done little so far to dent the nation’s massive unemployment. Only 37,000 new jobs have been created in the past year. And many in the missions complain of never getting paid for their work or being paid only occasionally.

Many working people also complain about growing bureaucracy and the risk of one-man rule. Chavez’s tendency to appear on television several evenings a week to give four-hour speeches has many critiquing him for a cult of personality and “Bonapartism.”

The most applauded as well as contentious aspect of Venezuela concerns the explosive growth in cooperatives. Thousands have sprung up, encompassing everything from food vendors to health care providers to efforts to form cooperatives in industrial enterprises.

These cooperatives, which are also funded by the state from oil revenues, are touted by the government and its supporters as a way to “popularize capital.” As one official put it, “The principal idea is that cooperatives or development zones should integrate with other cooperatives to add value through processing and transformation” while avoiding intermediaries such as foreign corporations or private businesses.

Most cooperatives are contracted to sell goods to the government, which gives it a significant role in determining which ones thrive and which fail. At the same time, many socially conscious activists are creating nonprofit cooperatives that provide health care, housing, and social assistance to raise the standard of living of Venezuelans.

Thus the situation in Venezuela is highly contradictory. While some programs being enacted from above have a bureaucratic or state-capitalist stamp to them, large numbers of people are making use of the present situation to press for radical changes on their own.

### **WHAT IS SOCIALISM?**

Such distinctions often did not get made in discussions at the WSF, however, where enthusiasm over Chavez’s specific policies tended to trump serious analysis of them.

Even government ministers admit that some enterprises are being turned into cooperatives “not with the intention of transferring power to their workers, but to evade taxes from which cooperatives are exempt.” Minister for Popular Economy Elías Jaua stated: “There are many cooperatives that are registered as such on paper, but which actually have a boss who is paid more, salaried workers, and unequal distribution of work and income.” Many workers in the cooperatives earn less than the minimum wage, \$188 a month, as they are not subject to national labor laws.

Yet many at the WSF argued that capitalist relations will erode as “social ownership of the means of production” and the elimination of private competition take hold. Clearly there is a growing tendency in today’s movements against global capital to return to more traditional approaches that focus on nationalized property and statification of natural resources as the solution to the problems of neoliberalism.

There is nothing wrong with demanding that global capital be prevented from continuing to rob the natural and human resources of Latin American nations. Just as it is vital for workers to demand a more equitable redistribution of the surplus value that is robbed from their hides each day at work, so it is important for the nations of the South to demand a redistribution of wealth from global capital.

Yet by the same token, just as a worker who obtains a wage increase still lives in a capitalist environment in which those gains can be readily taken away, a popular regime that demands a redistribution of the surplus value robbed from its people by multinational corporations still exists in the context of the world market and capitalist social relations.

In a word, socialism is not the same as nationalized industry and property—even when a “co-management scheme” operates between workers and the state.

As Raya Dunayevskaya put it: “Even where a state like Cuba is protected from the worst whims of the world market and where state planning is total, the price of sugar is still dependent upon the socially necessary labor time established by world production. In a word, to plan or not plan is not the decisive question. The state of technological development and the accumulated capital are the determinants, the only determinants when the masses are not allowed their self-activity” (PHILOSOPHY AND REVOLUTION, p. 225).

### **WHICH WAY AHEAD?**

The turn back to statism in much of the movement against global capital is by no means complete, including in Venezuela. Independent movements are gaining strength there, such as an abortion rights movement.

The growth of the women’s movement explains why Venezuela is the only Latin America country with a constitution that recognizes housework as economically productive activity. Housewives are now able to obtain social security benefits.

However women are still underrepresented in the government. Only 12% of the members of the National Assembly are women. Demands are being raised that 50% of its seats be reserved for women candidates.

Many are probing into a genuine alternative that avoids the dead ends of both neoliberalism and state-capitalism. This was reflected in an “Alternative Social Forum” held at the same time as the WSF by Venezuelan anarchists. Its sponsors stated at the forum: “In the last four years Venezuela has undergone a polarization induced by the top players vying for power against the new Chavez bureaucracy that has supplanted the previous one. Part of the demobilization of the social movements answers to this logic: having taken part in, and assumed blindly, the agenda imposed from above, postponing their own claims. Another chapter belongs to the expectations created by some of the social activists faced with a ‘progressive and left’ government, spokesmen of a discourse that assumes the language of the movements but whose policies go in the opposite direction.”

Clearly an important debate is going on in Venezuela and elsewhere in Latin America over the direction of the movements against global capital—even if the initiative for now rests with those favoring a return to more statist tendencies of the old Left.

One reason for this shift is that while the movement against global capital has raised the important slogan “another world is possible,” it has tended to avoid an in-depth discussion of exactly what constitutes a society that negates and transcends capitalism.

Reticence about imposing programs and devising “blueprints for the future,” both of which have been integral to the anti-vanguardist nature of the movements against global capital since their inception in the Seattle protests of 1999, is understandable. Yet no movement can live forever on generalizations and good intentions. If anti-vanguardists fail to spell out in precise and specific terms the basic features of a socialist society that transcends the parameters of value production, other less liberatory tendencies will surely do so instead. This is what we are now witnessing, as many who want to know “what is socialism” find the more that traditional, statist leftists are the ones who have a ready-made answer to their questions, albeit a superficial one.

The debate is by no means finished, yet it will not be brought to a successful finish unless we concretize the creativity of cognition by spelling out “what happens after” the revolution, beginning right here and now.

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