

# Dualities of Latin America

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*Determining whether the current situation of Latin America is better described as “post-neoliberalism” or as “commodities consensus” requires an analysis of recent changes in the region. Capitalism has expanded in agriculture and mining, accentuating the preeminence of basic exports. Traditional industry is declining, and remittances and tourism have increased in importance. Local capitalists associated with foreign corporations have replaced the national bourgeoisie, while the exodus of peasants consolidates labor precariousness, poverty, and inequality. At the same time, the United States is deploying troops to reorganize its domination. The South American rebellions have limited neoliberal aggression and achieved unusual victories in other parts of the world. The concept of post-neoliberalism emphasizes the region’s political turn toward autonomy but overlooks the persistence of the economic model generated during the previous phase. The opposing concept, commodities consensus, highlights the extractivism prevailing throughout the region but plays down the extreme divergences among right-wing, center-left, and radical governments in all other areas. Both concepts contain part of the truth, but neither fully explains the regional scenario.*

*Para determinar si la situación actual de Latinoamérica es mejor descrita como “post-neoliberalismo” o como un “consenso de los commodities” hay que hacer un análisis de los cambios recientes en la región. El capitalismo se ha expandido en la agricultura y la minería, acrecentando la preeminencia de las exportaciones básicas. La industria tradicional ha disminuido, y la importancia del turismo y las remesas ha aumentado. Los capitalistas locales asociados con empresas extranjeras han reemplazado a la burguesía nacional, mientras que el éxodo de los campesinos ha consolidado la precariedad laboral, la pobreza y la desigualdad. Al mismo tiempo, Estados Unidos despliega tropas para reorganizar su dominio. Las rebeliones en América del Sur han puesto barreras a la agresión neoliberal y logrado victorias inusuales en otras partes del mundo. El concepto del post-neoliberalismo destaca el giro político de la región hacia la autonomía pero con una tendencia a la persistencia del modelo económico generado durante la fase anterior. El otro concepto, el consenso de las commodities, destaca el extractivismo que prevalece en toda la región pero minoriza las divergencias entre los gobiernos de derecha, centro-izquierda y radicales en todas las demás áreas. Ambos conceptos son parcialmente ciertos, pero no explican totalmente el escenario regional.*

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Has Latin America gained autonomy or reinforced its dependency in the past decade? Has it broadened or reduced its margin of sovereignty? Is it confronting the global economic crisis with strength or with increased vulnerability? South America's development provides many arguments for an increase in autonomy and that of Central America for a diagnosis of dependency. From a geopolitical viewpoint, the increase of independence in the region is apparent, but dependency is foregrounded when economics is emphasized. The concept of "post-neoliberalism" highlights the new phase's independent foreign relations, proliferation of progressive governments, and retreat of the right (Sader, 2013). The concept of "commodities consensus" highlights its uniform reinforcement of models focused on the export of primary goods (Svampa, 2013). Determining the correct characterization demands the evaluation of the great economic, social, and political transformations occurring in the region during the past two decades.

## THE ECONOMY AND CLASSES

### AGRO-EXPORTS AND MINING

The neoliberal restructuring of Latin America since the 1980s has consolidated a pattern of export specialization that recreated the international role of the region as a provider of basic products. This renewed focus on commodities has involved a profound transformation in agriculture based on the promotion of export crops at the expense of local supply. A sector that manages rural businesses with capitalist criteria of intensive accumulation was strengthened in all countries. The old oligarchy led this conversion in close partnership with agribusiness. Small producers experienced increasing costs of supplies, greater competitive pressure, and increasing transfer of risks through contracts that conformed to the rules of export. They had to adapt their activities to new demands for refrigeration, transport, and agro-chemical inputs to generate products suitable for global marketing. They frequently went into debt, sold their land, and ended up joining the masses of the excluded in migrating to the city.

The pressure to increase profits undermines the memory of noncapitalist agriculture and dilutes the old discussions about the articulation of different modes of production in this sector. Under the discipline imposed by foreign demand, the line between the primary and the secondary sector is blurred, and the influence of wage labor is expanded by Taylorist methods. Soy is a typical example of this new agricultural scheme. It has spread to Argentina, Brazil, Paraguay, and Uruguay, displacing other crops, through a transgenic model of direct cultivation and dependence on Monsanto as a provider of seeds. Since it does not require much labor to produce oil or animal feed, it generates only one job per 100–500 hectares (Katz, 2008). Similarly, the fruit and wine of Chile are being produced with new parameters for the foreign market, increasing rural concentration and the subcontracting of temporary workers. The flowers of

Ecuador and Colombia are being cultivated with intensive irrigation techniques and heavy exploitation of female labor, displacing traditional food production. The new winter vegetables of the Central American plantations are being exported at the expense of traditional production and have already generated a dramatic increase in imports of basic food products (Robinson, 2008).

The same specialization in primary exports is seen in mining with the new open-cast methods, which blow up mountains to extract minerals and dissolve rock with chemicals (fracking). Since these techniques require greater investment than excavation, the presence of foreign companies has increased, and they are reaping substantial profits because low-cost Canadian corporations—combined with Australian, Belgian, Swedish, and U.S. companies—control the majority of these enterprises. Chile is a paradise for this activity. Copper is no longer extracted by the state company CODELCO; other companies also participate, paying low taxes (7.8 percent) and obtaining extremely high yields (50 percent). The same is occurring in Peru, which has developed a huge project in the Conga region (Gudynas, 2012; Hernández, 2013). The use of enormous amounts of water in this kind of mining affects agricultural projects and increases pollution. The environmental calamities that the region suffers, with the disappearance of the Andean glaciers, the desertification of the Amazonian basin, and coastal flooding, are being exacerbated by these activities. Extractivism for export heightens all the effects of climate change (CEPAL, 2010).

#### THE DECLINE OF INDUSTRY

The decline of industry is the other side of the rise of agricultural exports and mining. The contribution of the secondary sector to Latin America's gross domestic product (GDP) decreased from 12.7 percent in 1970–1974 to 6.4 percent in 2002–2006, and the gap with Asian industry in production, productivity, technology, patent registrations, and investment and development costs widened (Rodríguez, 2012). While this decline is frequently identified with the “re-primarization” of the Latin American economy, industry has not disappeared but has been adapted to a new dependent reproductive cycle. The decline is very evident in Brazil and Argentina, the two economies that are most representative of postwar industrialization. In Brazil productivity is decreasing and costs and the external industrial deficit are increasing in a context of stalled investment and deteriorating energy and transport infrastructures. Some analysts estimate that Brazilian industry is half what it was in the 1980s (Palma, 2012). The same decline is evident in Argentine industry, despite the recovery recorded in the past decade. This sector is less important than in the 1980s (reduced from 23 percent to 17 percent of GDP) and is highly concentrated in five areas, with foreign predominance, increasing imports, and little inclusion of domestic components (Katz, 2010).

In Mexico, traditional industry—instituted during import substitution to supply the local market—has been replaced by the rise of maquilas in the free-trade zones. This type of factory operates in a hierarchy of exports and functions through networks that are adapted to the norms of flexible accumulation.

Maquilas began with clothing and electronics and expanded to automotive assembly, and today they represent 20 percent of Mexico's GDP. The emblematic location of this model is on the border with the United States. The 50 initial plants in 1965 had multiplied to 3,000 by 2004 (Robinson, 2008: 107–111). Developing into assembly plants with reduced labor requirements, these factories have many characteristics of the basic specialization that affects the entire Latin American economy, whose main requirement is a cheap labor force. Companies profit from the recruitment of workers from rural areas and criminalize the organization of labor unions. While productivity is similar to the levels prevailing in the company headquarters, wages are many times lower than the U.S. average and those in the unionized sector of Mexico. Labor exploitation is more visible in the new generation of companies located in the Dominican Republic, Guatemala, and Honduras, where young people on contract are subjected to severe discipline. The pressure to increase productivity is constantly reinforced by Asian competition.

#### REMITTANCES AND TOURISM

The model of specialization in basic exports creates little employment, increases migration, and has generated a new type of dependence on remittances in the region's small countries. Latin America is the greatest receiver of these funds, which constitute the main income of the Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, and Nicaragua and the second-largest source of income of Belize, Bolivia, Colombia, Ecuador, Paraguay, and Surinam. Remittances have replaced the primacy of coffee in El Salvador and bananas in Honduras.<sup>1</sup> With these remittances, an unprecedented situation of income's being produced in one country and consumed in another is established. The waged labor force of one country supports the reproduction of its counterpart in another. Global communication and cheaper transportation have created a multinational space of people who live in two worlds simultaneously because of the connection of the immigrant with his place of origin, establishing a dual pattern of life in some communities (Anderson, 1994). This process widens the gap between countries that export their excess population and the economies that selectively absorb it. The movements are multidirectional, but the regions abandoned and the desired destinations are always the same, as the 30 million Latinos currently living in the United States demonstrate.

Tourism has also become vital for the survival of the region's small countries. It has displaced bananas as the principal export of Costa Rica and is the second-largest activity in Honduras, Guatemala, and the Caribbean. Latin America has become attractive for its cheap labor force, favorable natural environments, and valued cultural patrimony. Neoliberal capitalism replaces the old rules of social tourism with individualistic criteria that naturalize the division between rich (with the right to rest) and poor (with the obligation to serve). The media highlight the attraction of the exotic, homogenize culture, and turn the Third World into a "periphery of pleasure." The middle class has access to these new experiences, internalizing the myths of free trade without noticing the growing inequality that surrounds this business. In reviving racism and elitism global tourism has had a very significant ideological impact.

### THE PERSISTENCE OF THE MODEL

Neoliberal globalization has created an economy focused on agro-exports, mining, and services at the expense of industrial development, and what is noteworthy about this is the continuity of these trends throughout the recent global crisis. This persistence is due to the global financial disturbance in the region. Both in the period previous to the crisis (2003–2008) and in the period following it (2008–2013), the Latin American growth rate has stayed above the international average, which has been declining in recent years and was around 3.2 percent in 2013 compared with 3 percent the previous year (Rubinzal, 2013; Ugarteche, 2013). Compared with the devastating collapses experienced between 1980 and 2003, up until now the crisis has had a limited effect on Latin America. There have been no bank failures or explosions of foreign debt. This neutrality is more pronounced in the South than in the center of the region, but it distinguishes the region in this regard from the heavily affected core countries. The contrast with the 1930 Depression is telling. During that collapse, Latin American exports declined by 65 percent and imports by 37 percent, while the bulk of the countries suffered financial collapse that forced them to suspend payments on their foreign debts. This decline was reversed with the increase of exports and reserve accumulation that accompanied World War II (Guerra, 2006: 163–165).

The continuity of the export specialization model has also been facilitated by the high prices of commodities. These rates fell in 2008 but recovered rapidly. The improvement of exchange rates has continued, with a tripling of raw materials prices recorded in the past decade. Oil doubled its price, while the price of copper rose by five times and that of soy by two and a half times. This appreciation in turn led to an increase of 55 percent in export volume (Arriazu, 2013). Explanations of this increase in prices include the impact of speculative-financial activity, the expansion of agro-fuels, and the demand from China. Whatever its cause, it has led to the deepening of the preceding neoliberal transformations.

Finally, increased foreign investment has contributed to the continuity of the model. These inflows totaled US\$173 billion in 2012, 6 percent more than the previous year and matching the amounts of the beginning of the past decade. Capital received and the value of exports facilitated the increase of reserves and a reduction of the ratio of indebtedness (Naim, 2013). The retreat of recent decades and the crisis period corroborates the diagnosis of the centrality of commodities in Latin American economies. Because of this focus the region may seem less vulnerable with regard to the balance of payments, reserves, and debt but is increasingly fragile structurally.

### CHANGES FROM ABOVE

The consolidation of the region as an exporter of basic products has also impacted the profile of the ruling classes, reinforcing the conversion of the old national bourgeoisie into a local bourgeoisie. The former consisted of industrialists producing for the domestic market with tariff protection and subsidies that favored the expansion of demand. The latter is a sector that is no longer

limited to manufacturing or self-centered development. It promotes exports more than the domestic market and prefers the reduction of costs to an increase of consumption. This change has increased the prosperity of a millionaire elite. The fortunes of Slim (Mexico), Cisneros (Venezuela), Noboa (Ecuador), Santo Domingo (Colombia), Andrónico Lucski (Chile), Bulgheroni and Rocca (Argentina), and Lemann, Safra, and Moraer (Brazil) have registered a great increase with the export business of recent decades.

Latin American capitalists constitute a minority of the population, and there is an enormous disproportion between their power and their numbers. Property owners and recipients of corporate profits are fewer than 1–2 percent of the economically active population and only 10 percent if executives and managers are included (Portes, 2004: 15–21). The reconversion of the past few decades has increased the concentration and internationalization of the main capitalists, consolidated as regionalized conglomerates. New “multi-Latinas” (corporations based on wealthy families that have expanded their companies) with global management and regional priorities emerged. The conglomerates of Brazil and Mexico led this trend, followed by those of Argentina and Chile.

The traditional diversity among agricultural and mining, industrial, and banking fractions has not disappeared, but their interrelationships have increased as a result of the strong competitive pressure introduced by neoliberal globalization. Their rivalry has altered the composition of the main 500 Latin American corporations. Between 1991 and 2001, the proportion of state companies declined from 20 percent to 9 percent (Santiso, 2008). Local groups reorganized their activities with major foreign financing and market capitalization. Income to stock markets coincided with an increase in outstanding shares in the so-called developing countries (from US\$80 billion in 1981 to US\$5 trillion in 2005). The penetration of the structure of Latin American companies by foreign capital increased in this way (Santiso, 2008).

Companies are more powerful than before, but the region’s capitalist class remains in a secondary position globally and has lost ground to its new Asian competitors. This outcome is congruent with the specialization in the basic branches that has made the industrial gap with Southeast Asia unbridgeable. The local bourgeoisie has strengthened its ties with foreign capital but has remained a differentiated segment. It maintains aspirations of accumulation that go beyond the national context toward a regional scenario. Bourgeoisies that are more associated with foreign companies have developed, supporting a process that began in the 1960s in Brazil, continued in the 1980s in Argentina, and became consolidated in Mexico in the 1990s. This sector abandoned its industrial beginnings and extended into agro-exports, mining, and services.<sup>2</sup> The recent incorporation of Mexico, Brazil, and Argentina into the G20 marks another leap in the relationship of current bourgeoisies to foreign capital, but it is a relationship of antagonistic cooperation that combines the strengthening of connections with the maintenance of differences between the North and the South (see Marini, 1985). Although business with foreign capital has multiplied, the country of origin persists as the base of operations, the privileged source of profits, and the center of decision making of the local bourgeoisie. The internationalization of credit, markets, and share ownership does not override the local territorial character of the major capitalist groups. The local and

associated bourgeoisie that leads export specialization, sharing benefits with foreign companies, does not constitute a “new oligarchy.” The precapitalist features that characterize this sector have been extinguished with the advance of capitalization. The old Latin American elites—who used archaic methods of exploitation and domination to exploit their agricultural and mining properties—have lost their importance. Some approaches emphasize the transnational character of the dominant groups that have opted for globalization of their businesses (see Robinson, 2008: 176–178), but this view confuses association with fusion, forgetting that internationalization unfolds on the basis of existing classes and states. Neoliberal globalization does not annul these structures or the priority given relationships among capitalists of the same national origin. Full transnationalization is for the moment limited to the cosmopolitan management sectors or fractions of the top bureaucracies of global organizations. At the same time, the property of corporations continues rooted in different geographical areas, and nation-states remain the only instrument with some legitimacy to discipline workers.

Local Latin American bourgeoisies are not satellites manipulated by the metropolis. They are capitalist classes that combine the usufruct of agro-exports and mining income with the surplus value extracted from workers, and they act as dominant classes rather than as parasitic collectors of tribute for foreign capital. Their inability to develop the region does not imply any lack of interest in that goal. The Latin American economy is governed by patterns of competition, investment, and exploitation. Since these patterns differ significantly from pillage, it is a simplification to use the term “lumpen-bourgeoisie” to portray the bourgeoisie (see Frank, 1979, for the origin of this error). This designation applies only to sectors that accumulate capital on the margins of the legal circuit. Narcotrafficking, for example, produces criminal fortunes and launders some of its income through financial or productive activities, but it is a marginal sector that is not integrated into the stable club of the dominant. It is also erroneous to generalize the situations of small enclaves. Latin America constitutes an analytical unit, but characteristics referring to Honduras or Panama are not valid for Brazil. Only in the former cases can we speak of “neocolonial bourgeoisies” remotely controlled by Washington.

The turn toward commodities defines the profile of Latin American oppressors: they are the capitalists who exploit wage labor, the bourgeois who politically suppress workers, and the dominators who ideologically subordinate the dominated, performing the same functions as their counterparts in other parts of the planet. But they also suffer from the weakness of a sector that has not led national struggles or co-opted staff that is important to its domination and has not facilitated the mobility of the middle classes, and this weakness has increased under the new model of export specialization.

#### CHANGES FROM BELOW

The transformation of the Latin American social structure has also altered the configuration of the dominated classes. As an axis of this change, in agriculture we find the loss of cohesion of the old peasantry, affected by the growing exodus to the urban centers. The old landed estate (*latifundio*) that recreated

peasants' misery and obstructed the development of an agrarian bourgeoisie has declined in the face of capitalist companies that take land from farmers, hire precarious wage labor, and force migration to the cities. This displacement has swelled the masses of excluded urban residents with little work and negligible income, given the scarcity of employment options for the surplus population. As a result, informality has become the norm for the extractive economies under both recession and prosperity. Out-migration, which was the escape valve for imbalances of European accumulation at various points in the nineteenth and twentieth centuries, provides only limited relief. Young people in the region are not finding employment either in their own countries or abroad. One direct consequence of this exclusion is the exponential increase of crime. The narco-economy has become a refuge of survival for sectors pushed into marginality. The region has the highest rate of homicide in the world. Delinquency increases with the social divide and the obscene promotion of the consumption and the pleasures that the wealthy enjoy.

Since the extractive model creates low-quality jobs, labor precariousness is higher in Latin America than the average in the core countries. Informality is no longer recreated in precapitalist agrarian circuits or in the family reproduction of the labor force. It is expanding with the penetration of capitalism into all spheres of social life. Some studies estimate that the precarious sector includes 46 percent of Latin American workers (Portes, 2004: 113–149). Another key fact is the extension of poverty beyond the informal sector to a broad segment of stable workers. In contrast to the situation in most developed economies, the universe of individuals with incomes that do not satisfy basic needs is not limited to the excluded but extends to the exploited workers of modern companies. The percentage of poor children (45 percent of the total) is telling of the magnitude of this scourge (CEPAL-UNICEF, 2010).

In the regional manufacturing scenario, the acceleration of technological change increases segmentation between skilled and unskilled workers. Stable employment with social protection declines in comparison with contract jobs without any protection. The magnitude of this gap is the outstanding characteristic of the labor market. The typical postwar male unionized operator is being replaced by the more flexibilized female worker. The decline in formal employment is enormous in the maquilas. The expansion of the industrial working class has lost its momentum; while the industrial proletariat persists, its incidence has declined.

The traditional Latin American middle class is smaller than those of advanced countries and provides a very meager cushion in the abyss that separates the wealthy from the impoverished. In addition, the middle class now includes fringes of small vendors and the self-employed, while professionals and highly qualified technicians are few. This underdevelopment is consistent with the weakness of industry. The middle sectors have broadened their consumption with the extension of credit, advertising, and the emergence of large commercial chains, but in economies that are so tied to the export of basic products the productive foundations of purchasing power are very fragile.

Many analysts highlight the reduction of poverty, unemployment, and inequality during the past decade without noting the limited improvement in economic activity. The generalization of social assistance to temper poverty has

only transitionally protected the helpless without attacking the causes of the problem. Social assistance plans coexist with precariousness and validate labor segmentation. At the same time, the slight reduction in inequality has not changed the region's position at the top of global rankings of inequality. The Gini coefficient, which measures this polarization (51.6), exceeds the global average (39.5), is twice the average of the advanced economies, and includes the four countries at the top of the global barometer (Colombia, Bolivia, Honduras, and Brazil). The income of the richest 20 percent of Latin Americans is almost 20 times that of the poorest 20 percent (Guillemi, 2012).

The current economic scenario—dominated by an ideology of export specialization—does not corroborate a “post-neoliberal” diagnosis, but the opposing thesis, incorporating the political dimension, must also be evaluated.

## BLOCS AND GOVERNMENTS

The geopolitical alignments in Latin America are conditioned by the actions of the United States, which has strengthened its presence in Central America and maintained its influence on South America.

### COERCION TO RECOVER HEGEMONY

The United States maintains its influence by deploying military forces. The Southern Command in Miami, which supervises this control, has more civilian personnel devoted to Latin America than any other department assigned to the area in Washington. The preeminence of the Pentagon was heightened with the installation of seven large bases in Colombia. State terrorism has operated in that country for decades, along with the assassination of union leaders and the forced displacement of peasants.

The Central Intelligence Agency, the Drug Enforcement Administration, and other secret agencies also actively participate in social conflict that has left more than 60,000 dead in Mexico. They have taken advantage of this conflict to design plans for militarization (Plan ASPAN in 2005, Plan Mérida in 2007), intervene in the modernization of the armed forces, and influence the imposition of counterinsurgency laws. They have even negotiated with the cartels behind the backs of the local authorities and fueled the ideology of fear used to justify the everyday action of the police (Cascante, 2011; Fazio, 2012). This interference develops under the hypocritical cover of the war on drugs, which conceals the prominent role of the United States as market and financial shelter for narco trafficking. The banks of the country launder 70 percent of the funds generated by that business. Under U.S. vigilance, Colombia persists as the principal regional producer and Peru has increased its share by 55 percent in the past decade (Berterretche, 2010). The same Yankee presence is evident in the war against the criminal gangs of Central America (*maras*). Their persecution is used to oppress the poor and carry out executions in the slums. The Pentagon has multiplied its military installations in the colonies in the Caribbean (the Virgin Islands, Puerto Rico) in close association with the Netherlands (Curaçao) and France (Martinique) (Reverón, 2013).

All of these facts refute the naive belief in the “loss of U.S. interest in Latin America” or in the imminent “abandonment of the Monroe Doctrine.” A notable discrepancy exists between the notion of withdrawal and the growing imperial presence in the entire area. Since the embarkation of the Fourth Fleet (dissolved in 1950 and reinstated in 2008), the total of military personnel trained by the Pentagon has exceeded the average of previous decades (195,807 in 1999–2011). Military-police assistance involves extremely large sums (US\$6.8 billion in 2009–2013), and treaties for sharing sensitive information have increased in number. The United States maintains 4,000 permanently deployed uniformed personnel for emergency action. Its drones operate without any restriction throughout the hemisphere (Tokatlian, 2013).

The central geopolitical function of Latin America for the empire has not changed, and neither has the management of this supremacy with instruments of coercion and consensus. This strategy has always implied a complementary bipartisan agreement on sticks (Eisenhower, Reagan, Bush Sr. and Jr.) and carrots (Clinton, Carter), without rigid distinctions between Republicans and Democrats. Obama is gently attempting to rectify the damage done by the unsuccessful Bush wars.

The margin for direct action of the U.S. Marines has been cut back in Latin America since the failure of the Free Trade Agreement of the Americas, the decline of the Organization of American States (OAS), and the emergence of organizations that are distanced from the imperial mandate such as the Unión de Naciones Suramericanas (Union of South American Nations—UNASUR) and the Comunidad de Estados Latinoamericanos y Caribeños (Community of Latin American and Caribbean States—CELAC). The Yankee embassy has lost influence in various countries of South America, spying generates unprecedented protests, and two whistleblowers about these activities have been offered asylum in the region (Edward Snowden by Venezuela and Julian Assange by Ecuador). The Yankee attempt to punish these reactions by putting on “hold” the flight of the president of Bolivia did not produce results.

Obama is attempting to reestablish the U.S. capacity for action that was characteristic of the 1970s, following the path taken by Carter to temper the effects of the Vietnam War and Watergate. The United States is processing this adversity with all the resources of the only power that disposes of capital at the global level. Its military supremacy gives it a big advantage over its European and Asian competitors.

## STRATEGIES AND RIVALS

The natural resources of the South are the priority of the corporations of the North. The empire hungers for the minerals, oil, water, and forests of Latin America. The Department of State has these reserves mapped out and treasures data unknown to the rest of the hemisphere. It is no accident that 98 percent of the region’s communications go through some U.S. information center (*Telégrafo*, 2013). The economic interest of the first power in the rest of the hemisphere has not declined. It remains at the top of the region’s ranking of foreign investment, and in 2012 its position was five times higher than in the preceding five-year period. Its exports exceed those to other areas (Tokatlian, 2013).

The United States is not, however, without competitors in the region. During the 1980s and 1990s, Europe increased its presence in the region through Spain, whose conversion to the euro and globalization led to an unprecedented increase in the number of Spanish corporations in its old colonies. During the boom of privatizations, this investment was even greater than that of the United States. However, Spain's future in the region is unknown. Since the explosion of the global crisis, Latin America has been the savior of many Iberian companies, which have financed their imbalances with transfers from subsidiaries located on the New Continent. This rescue has been combined with changes of ownership, and no one knows who will end up managing these companies. Europe continues negotiating free-trade treaties with the region, but the expectation of a great Ibero-American market is subsiding. The mandates of the Old Continent dispute businesses but not the preeminence of the United States in the hemisphere.

The challenge that China poses is another story. In the past decade the Asian giant has become the great market for Latin American raw materials. It absorbs 40 percent of these exports, and it has been estimated that each point of increase in China's GDP draws 0.4 percent of its Latin American equivalent. The Asian power's investments are also growing at an alarming rate: from US\$15 billion in 2000 to US\$200 billion in 2012 and an estimated US\$400 billion by 2017. China is becoming a great source of credit. Between 2005 and 2011, it lent over US\$75 billion, more than the United States and the World Bank (Hernández, 2013). Although these loans were negotiated under better conditions, their main destination is mining, energy, or commodity projects that finance Latin American specialization in the provision of basic raw materials. China poses a commercial threat to U.S. supremacy, but it does not aspire to geopolitical control of the region. This is economic rivalry without the expectation of political-military consequences.

Yankee acceptance of Asian presence even in areas that have been off-limits is striking. There are Chinese companies in Panama, and the construction of a new canal that will cross Nicaragua has been granted to Chinese contractors without unleashing a reaction by the Department of State. This tolerance illustrates the interest that U.S. companies also have in the expansion of maritime transactions with Asia.

#### THE PACIFIC'S COUNTEROFFENSIVE

U.S. strategic economic interest revolves around free-trade treaties. Of the 20 agreements of this type that it has entered into around the world, half are located in Latin America. Its effort to create a great market without barriers for the companies of the North with the Free Trade Agreement of the Americas failed in 2005 because of the resistance deployed by various countries. The great bazaar that Washington promoted to manage exports from Alaska to Tierra del Fuego could not be solidified. To replace the failed hemispheric agreement, it began to negotiate bilateral accords, and it is now attempting another step with the Pacific Alliance, which it is promoting through presidential visits and promises of all kinds. It has already set up a bloc with Peru, Mexico, Chile, and Colombia, is preparing to add Panama and Costa Rica, and

is tempting Uruguay and Paraguay with observer status (Morgenfeld, 2013). These accords seek to increase U.S. sales to markets that become captives as tariff liberalization destroys local competitiveness. They also strengthen the mining-oil specialization model to ensure the supply of raw materials to Yankee companies. In addition, the Pacific Alliance is conceived as a bridge with the two giant agreements that the United States is promoting with 28 nations of the European Union (the Transatlantic Trade and Investment Partnership) and 11 Asian countries (the Trans-Pacific Partnership). These agreements are molded to the necessities of the most globalized corporations, which manufacture in various locations and profit from the mobility of capital and goods.

At the geopolitical level, the Pacific Alliance seeks to neutralize any project for Latin American autonomy. This is why scattered free-trade agreements are being replaced by an articulated plan for a regional bloc. Mexico is the most advanced example of this strategy. In the two decades of operation of the North American Free Trade Agreement (NAFTA), the country has been transformed into a platform of oil and maquilas for the U.S. market. The neoliberals celebrate this assimilation, spreading implausible images of progress that obscure the break-up of the Mexican economy (see Cárdenas, 2013; Oppenheimer, 2013). The industry that Mexico forged under import substitution has been dismantled. For every dollar that is exported to the United States there are 40 cents of imports from it, more than from Canada and suggesting absolute submission. The formality of a tripartite treaty conceals an association between two powerful nations that subordinates the Latin member. Mexico sells 90 percent of its products to its neighbor, has its natural riches tied to this market, and drains manpower for unskilled jobs on the other side of the border (Echeverría, 2012). This dependency extinguishes the autonomy of foreign policy that Mexico exhibited in the 1960s, when it maintained diplomatic relations with Cuba, challenging the rest of the continent. NAFTA dictates the erasure of the memory of the enormous territorial confiscation that the United States imposed on its neighbor during the nineteenth century.

The Mexican elite bourgeoisie participates in the agreement with the North by expanding its enterprises. It has developed huge internationalized corporations and shares the top of the regional ranking with its Brazilian counterpart. Of the 100 local companies of the region, these two countries account for 85 and for 35 of the 50 most profitable. The influence of Cemex, Alfa, Modelo, Telmex, and Bimbo is very important, as is the power achieved by Carlos Slim, who has positioned himself among the global multimillionaires (Santiso, 2008).

The small Central American countries are very different. They do not have middle-sized or semiperipheral economies and have few capitalist groups integrated with large businesses. Instead of generating a Slim empire, the insignificant Honduran bourgeoisie recreates the trajectory of the banana elites, and its counterparts in Panama are limited to profiting from the mediation of the canal and of commerce in the free-trade zones.

#### THE VARIETIES OF THE RIGHT

The majority of governments that participate in the Pacific bloc are rightist, and this is no accident. They are subordinated to the United States, encourage

militarization, and have adapted to neoliberalism. The two terms of the Partido Acción Nacional (2000–2012) and the new presidency of the Partido Revolucionario Institucional in Mexico are examples of this congruence. Enrique Peña Nieto combined old practices of electoral manipulation to achieve the presidency with the support of Televisa. He is disposed to implement the counterreform agenda demanded by the ruling class on the energy, fiscal, and educational levels. To privatize PEMEX he has repealed the constitutional amendment that prevents contracts with private companies, destroying the nationalized company that symbolized Cárdenas's achievement. He will seek to finance the eventual decline of fiscal income that this reversion will entail with an increase in the value-added tax. Public transport costs will rise, the electricity sector will be dismantled, and teachers' rights will be subjugated (Aguilar, 2013).

Colombia is a second case of close association between right-wing governments and free-trade associations. Its political-military alignment with the United States was instrumental in the reactionary leadership personified by Álvaro Uribe. He terrorized the peasants, preserved the privileges of the landowners, facilitated the violence of the paramilitaries, and revived the anticommunist ideology of the Pentagon. His successor, Juan Manuel Santos, is pursuing the same objectives, but he has reopened the failed negotiations with the insurgency. In a more urbanized society, with ruling classes bent on expanding the frontier of mining and agribusiness, the end of hostilities is the key to new investment. The old landed elite opposes this, and the government plays both ends, maintaining repression and negotiating an agreement that validates the concentration of land, which creates displacement and destroys communities.

Chile constitutes a third example of the connection between free-trade treaties and right-wing regimes. Both processes were recreated through the Pinochet constitution, which converted the Christian Democrats and social democrats to the neoliberal creed. The Concertación guaranteed the privileges of the armed forces (10 percent of the profits of the state-owned copper company), a level of inequality exceeding the regional average, and a crippling debt system for pursuing higher education. The postdictatorship period has been characterized by repression, poverty, and low union membership.<sup>3</sup> In her second term, Michelle Bachelet promises to do what she omitted in her first. She says that she will limit the privatization of education and broaden state participation in a system of private pensions, but the enormous abstention associated with her electoral victory (59 percent of those registered) illustrates the mistrust that exists about the realization of these measures. Any step taken will be subject to the restrictive filter of the constitution.

Peru has also stayed aligned with the rightist free-trade bloc. The current president, Ollanta Humala, continues the trajectory of explicitly neoliberal (Alejandro Toledo) or nationalist (Alan García) governments that doubled repression to expand mega-mining. His progressive promises were diluted once he became president. He has quashed social protest, frozen wages, and violated labor rights. He has incorporated shady characters into his administration and authorized the massive presence of U.S. military personnel. His behavior is a political travesty.

In the small Central American countries, the political restriction generated by the free-trade agreements is overwhelming. These republics carry a history of subjugation to U.S. power that has been renewed with remittances and out-migration. The privatizing presidents of Panama, Guatemala, and Costa Rica have reinforced this dependence to an unprecedented extreme.

#### AN INSTITUTIONAL TENDENCY TOWARD COUPS

The right has managed to recycle its preeminence in the pro-North American bloc through successive elections. These elections do not threaten the privileges of the affluent or imply any real exercise of democracy. In the few cases of electoral mandates that threatened powerful minorities there were attempted coups, this time in institutional disguise. The legislature, the media, and the U.S. government promoted these efforts. Three cases illustrate this modality.

In Haiti President Jean-Bertrand Aristide was arrested and expatriated in 2004, and the presidencies that followed were in the hands of figures who were permeable to the interests of the foreign occupation forces. Under this cover, foreign corporations have profited from the humanitarian tragedy that the island has faced since the earthquake, making money from the simple removal of debris. The danger of famine hovers over a country that was food-sufficient in 1972 and now imports 82 percent of its consumption (rice) (Colson, 2008). In addition, the foreign police forces introduced a cholera epidemic that resulted in 7,000 deaths. They manage the violations that Haitians endure on the border with the Dominican Republic and fail to protect the population from the crimes of narco-traffickers. It is estimated that 12 percent of the cocaine entering the United States passes through Haiti (Chalmers, 2013).

In Paraguay, the introduction of some mild changes was sufficient to set off a McCarthyite reaction against President Fernando Lugo in 2012. A sham parliament was assembled and his impeachment accomplished in a matter of days. The president who came after him (Horacio Cartes) is heavily involved in narco-trafficking and contraband.

In Honduras a coup was perpetrated to bury Manuel Zelaya's reforms and autonomous foreign policy. After a record number of assassinations, the perpetrators turned to fraud, buying votes, selling identification cards, and manipulating certificates to impede the victory of the opposition coalition (Arkonada, 2013).

The right also attempted failed coups against Hugo Chávez (the oil putsch), Evo Morales (the attempt at territorial secession), and Rafael Correa (the police rebellion). These failures illustrated the limits the reactionary project faces at the regional level and explain why conservative ideologues usually convey disenchantment rather than satisfaction (Sanguinetti, 2012). This frustration increased with the first year of the new pope, who is an important actor in regional politics. The right anticipates no repetition in Latin America of the crusade deployed by John Paul II in Eastern Europe during the 1980s. Francis has political instincts and recognizes that the conditions for reproducing that action do not exist, and therefore his messages are far from conventional rhetoric. Before adopting any foreign policy strategy, however, he will need to mitigate the corruption, pedophilia, and loss of adherents that the Church is experiencing.

**BRAZIL'S AMBIVALENCE**

The continued military influence of the United States, the free-trade counter-offensive of the Pacific Alliance, and the variety of right-wing governments and coup plotters mark a scenario inconsistent with the concept of post-neoliberalism. If the experience of this bloc were to constitute the only scenario in the region, it would confirm the validity of a commodities consensus. However, the complexity of Latin America lies in the coexistence of this articulation with a second geopolitical axis led by Brazil. This segment encourages capitalist regionalism with more autonomous political-economic strategies. The country that spearheads this strategy achieved a GDP of US\$2.4 trillion in 2011 and is the leading Latin American economy. It has 14 multinational corporations of global reach and promotes foreign investment as part of a strategic plan, the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA), with state financing from the Brazilian Development Bank (Armendariz, 2011). Its role has its roots in the history of a country of continental dimensions. In contrast to that of Spanish America, its national development was not accompanied by territorial divisions. In the second half of the twentieth century it became a middle-sized economy with more extensive domestic markets and some diversity of exports. These characteristics are typical of semiperipheral status. The position of Brazil in the international division of labor—intermediate between the great powers and the periphery—is more like that of Spain than like that of Nicaragua or Ecuador.

The maintenance of this position demands a show of power. Brazil is modernizing its armed forces and rehearsing intervention in distant conflicts (the Middle East, Iran, Africa) and aspires to a permanent seat on the Security Council. No other Latin American nation is attempting to play at this level. At the same time, Brazil is shaping its foreign policy to achieve a particular hegemonic coordination with the United States. On the one hand, it militarily protects the Amazon from the 23 bases that the Pentagon manages in the area. On the other hand, it directs the occupation of Haiti in total harmony with the U.S. Department of State. Its corporations are participating in the business of reconstruction of the island, encouraging the creation of free-trade zones and disputing export privileges (Borón, 2013a).

The duality of Brazilian foreign policy has innumerable examples. Dilma Rousseff avoided participating in the regional summit that repudiated the Yankee-European outrage against Bolivia's presidential plane but also cancelled a state visit with Obama to protest the shameless spying by the CIA. This intermediate path was recently ratified with the decision to purchase Swedish military planes instead of U.S. ones. The head-on collision that would have resulted from the choice of Russian or Chinese models was averted by opting for the Scandinavian equipment, which includes components from U.S. companies.<sup>4</sup> The same pendulum has described the diplomacy of Itamaraty in the past decade. In 2003–2011 distancing from the United States predominated, while in 2011–2013 there was a rapprochement that appears to have ended in recent months.

Brazil, unable to imitate other subpowers that have nuclear arsenals (such as Russia or India) or to deploy troops in its sphere of influence (as Turkey does),

is attempting to create its own space, installing a cushion that tempers U.S. pressures without entering into confrontation with the first power. It neither promotes a rupture with the empire nor accepts the neocolonial subordination of the Yankee mandate.

#### MERCOSUR AND UNASUR

Brazil and Argentina have been promoting the creation of a trade area with substantial participation of foreign companies but with its own tariff structure. Mercosur, the Southern Common Market, is intended to act as a unit in negotiations with other blocs, but it has been unable to advance for the past two decades. While the United States is promoting the Pacific Alliance, Mercosur is in a stalemate. It has not taken any steps toward macroeconomic coordination. The differences in currency, types of exchange, and fiscal policies among its members are enormous. Proposals to reduce asymmetries between countries do not exist, and as industry declines there are no plans for manufacturing coordination or shared use of export profits. Its members sell the same products and individually prioritize soy and mega-mining, the latter absorbing 51 percent of foreign investment in 2012 (CEPAL, 2012). The current paralysis is reviving old conflicts between Argentina and Brazil in terms of tariff norms and exchange restrictions. Investments have been suspended (Minera Vale in Argentina) and projects postponed (railroads). Under these conditions, Paraguay and Uruguay are open to the possibility of negotiating their own free-trade agreements, which would destroy Mercosur's cohesion (Turzi, 2013).

Brazil's uncertainties are smothering the association. It has more agreements outside the area than within South America and does not want to institutionalize regional agreements that obstruct its multilateralism. It is trying to maintain a dual role as exporter of raw materials to the rest of the world and as supplier of processed goods, but any initiative in the former area affects the expansion of the latter and vice versa. South American productive integration with regional funding for exchange stabilization, a common currency, and financing from the Banco del Sur would force Brazil to concentrate investment in the region to the detriment of its own international projection. Argentina illustrates the same tension between regional and global priorities on a lesser scale, distributing its exports across all continents.

Tendencies toward dissolution are also apparent in negotiating treaties with other blocs. The European Union is proposing a free-trade agreement that privileges exports from the Old Continent to avoid dealing with the agricultural protectionism that limits South American sales. The Europeans usually tempt officials of all governments with unilateral efforts so that they will enter into accords behind the backs of the other countries (Marchini, 2014).

The stalemate of Mercosur contrasts with the intense geopolitical activism of the South American bloc in recent years. There have never been so many presidential meetings or events attended by leaders of the region. The new regional focus has emerged from the joint actions of the Rio Group in 2010, which gave rise to the UNASUR and the CELAC in 2011–2013. By assigning the rotating presidency of the CELAC to Cuba in 2013 it posed a strong challenge to the OAS. The coup that unseated Lugo also received rapid responses. Mercosur

suspended Paraguay and sped up Venezuela's integration into the association. The UNASUR is an especially heterogeneous conglomerate, and the United States pressures it through its members. The organization includes various countries of the Pacific Alliance that have U.S. Marines in their territories.

The South American bloc lacks consistency as long as Brazil remains in the middle of the road, seeking support for its aspirations and rejecting any initiative for integration. In the long term, however, it will be impossible to lead a project without bearing the costs of its realization. These contradictions have become stronger in recent years, with the privileges granted to the agro-export sector in competition with allied South American countries and to the detriment of industry. In addition, the Brazilian option for soy locally affects the variety of crops of the coffee era and increases the traditional concentration of land. Only 10 percent of proprietors control 85 percent of the total value of agricultural production, and 50 corporations manage the entire trade. Dependence on fertilizers is extreme; the country's share of world agricultural production is 5 percent, but it consumes 20 percent of the agro-chemicals. In this context, agricultural reform has been impeded, and 150,000 families continue to camp out waiting for land (Stedile, 2013).

Brazil cannot lead South American integration by repeating the prevailing model of extractivism with little manufacturing. Its economic influence emerged precisely with the opposite scheme of expanding manufacturing during the 1960s and 1970s. During the recent growth cycle (2006–2011) its rate of investment (17 percent of GDP) was less than the historical average, and the strong increase in the exchange rate additionally affected its competitiveness (Sampaio, 2012). Further, it has abandoned the consolidation of energy from hydroelectricity in favor of a dubious gamble on oil exploitation. It has also facilitated de-nationalization of the industry with its opening to foreign capital. Almost 300 companies have passed into foreign control since 2004, with great advantages for U.S. companies (3.4 times more firms than the French, German, or Japanese) (Chade, 2013; Lessa, 2013).

The recent measures adopted by Rousseff to prop up industry with subsidies funded by welfare provision have not reversed the decline of manufacturing. During the past decade, Brazil has chosen the expansion of consumption without corresponding investment. More than 15 million Brazilians traveled by plane for the first time, and 42 million were incorporated into the banking system. Credit has spread, and the minimum wage has recovered, but these conjunctural improvements have not resolved the structural decline of industry (Nepomuceno, 2013). This vulnerability is heightened by the great flow of short-term capital, which tends to fly out of the country as fast as it comes in because of its financial performance. For the first time in a decade, 2013 ended with a dangerous deficit in the capital movements that have always tormented the Brazilian economy.

During the twentieth century, the Argentine economy followed steps similar to Brazil's with opposite results. It predominated during agro-export liberalism, lost ground in the import-substitution phase, and sharply declined under the financial recovery. One cannot even predict the final result of the neo-developmental efforts of the past decade, but the ruling class of Argentina no longer disputes hegemony with that of Brazil. In addition, Argentina is again facing

the classic tensions of its economy—very high inflation, currency imbalance, and fiscal downturn—but is for now not burdened with the debt levels that have led to periodic collapses. This return to stagnation is due to the persistence of an economy with structural imbalances. Argentina has resigned itself to productive development based on state ownership of soy income, and the local bourgeoisie has returned to its practice of capital flight and increasing prices without investment. Under these conditions, the limits of a strategy based solely on demand became apparent.

#### THE SURPRISING CENTER-LEFT

The current correspondence between Mercosur and center-right administrations confirms the general correlation between regional blocs and types of government, but, just as with the free-trade–right pairing, relations are not strictly harmonious. Mercosur preceded the current governments and went through a long period of consolidation during the neoliberal zenith of Fernando Henrique Cardoso and Carlos Menem, but the capitalist regionalism that it is attempting is more in line with the current governments, which accommodate to the social movements and have foreign policies more independent of the United States. Lulaism and Kirchnerism constitute two variants of this positioning while differing widely in political action.

During the past decade, the Workers' Party disappointed those in Brazil who had expected a government that supported wage earners. The bulk of the party reflected the influence achieved by a strong and focused proletariat but one with scant experience and capacity to counter the assimilation to the bourgeois system that drove Lulaism. It remained part of the structure of the dominant classes and ensured the continuity without surprises that characterizes the country's political regime. This conservative retrenchment fostered depoliticization and generalized passive consensus and modified the government's social base. The ordinary people of impoverished areas have replaced the working class, the middle class, and the intelligentsia as the support base of the current administration. The government has been guided by the principle of granting only those concessions that the ruling class accepts. Its norm has been to give something to those below without taking anything away from those above (Machado, 2013). This policy generates countless contradictions, but it is not neutral. It is aimed at the service of capital with some features of mild reformism. It has allowed a decade of bourgeois stability, undermining the legitimacy of the original workers' project, and has survived by forming alliances with the right and making ideological concessions to the establishment. Lulaism has followed the same trajectory as the social democratic parties.

Rousseff has developed her administration with that support, but recently she has confronted surprising street protests by angry young people. This enormous mobilization had only two contemporary precedents: the struggles for direct elections in 1984 and for the impeachment of Fernando Collor in 1992. It shed light on the reality of the Brazilian people, who suffer from enormous inequality, the deterioration of transport, and the decline of public education. The Workers' Party was disoriented by the mobilization, which revealed its alienation from the streets, and the right has sought to take advantage of this attrition.

The wave of protests that shook Brazil is common practice in Argentina, and this is the main difference between the two. While Lulaism stressed demobilization, the continuities of the 2001 rebellion forced Kirchnerism to govern with an eye on the reaction of the oppressed. This variant of Peronism was initially focused on restoring the traditional political system threatened by the people's revolt while granting important social and democratic concessions to the bulk of the population, but it reestablished the power of the privileged. In contrast to Lula, who governed in a context of limited reforms and no pressure from below, the Kirchners operated in a quagmire. In contrast with the Workers' Party, which maintained the structure transferred from Cardoso almost intact, they reconstructed a collapsed state.

This difference also determined the implementation of different economic policies. Argentina attempted a neo-developmental scheme with increasing state regulation to restore a devastated domestic market. In Brazil, in contrast, the initial socio-liberal continuity was gradually replaced by guarded intervention aimed at counteracting the erosion provoked by monetary orthodoxy. Kirchnerism was based on presidential leadership, the arbitration of executive power, and the influence of semi-institutional organizations. This informal political model adopted some of the neo-populist methods of classic Peronism, in contrast to the negotiated institutionalism that continued to prevail in Brazil. Both Kirchnerism and Lulaism have sought to neutralize the leading role of unions and the working class but by different paths. The two governments belong to the same species of center-left and have resorted to the same progressive rhetoric. The Kirchners resumed the project of mixing Peronism with the social-democratic variant anticipated by Raúl Alfonsín, while Lula and Dilma transformed the Workers' Party into a typical party of the ruling order. Kirchnerism is confronting a new decline that has prevented Cristina from selecting the next president as Lula did with Dilma. The right is preparing to lead a 2015 change of mandate, but it fears the repetition of the stormy presidential transition that has been the norm in Argentina and the exception in Brazil.

These scenarios confirm that the prevailing neoliberal context since the 1990s has been replaced by the incidence of the new autonomous South American bloc. The post-neoliberal thesis highlights this change while the opposing view minimizes it. Clarification of the problem requires evaluating another aspect: social struggle and radicalism.

## REBELLIONS AND PROJECTS

The beginning of the new century brought great social rebellions in South America that changed the scenario on which neoliberalism was based. These uprisings placed a limit on the offensive of capital and the right's efforts to bury the revolutionary ascent of the 1970s.

### FAR-REACHING REVOLTS

The four victorious uprisings were located in Argentina, Bolivia, Ecuador, and Venezuela between 2000 and 2005. They were massive rebellions amidst

great political crises, including a power vacuum, the retreat of repressive forces, the defeat of reaction, and confusion among the ruling classes. Presidents identified with neoliberalism were expelled from office, and programs of privatization, free trade, and labor flexibilization lost social support. These disturbances influenced other countries (Brazil, Uruguay, Paraguay, Colombia) that did not have demonstrations of the same magnitude.

The rebellions did not reach the dimensions of the great social revolutions of the twentieth century (Mexico in 1910, Bolivia in 1952, Cuba in 1959, and Nicaragua in 1979). The old states persisted, the people's power remained limited, and there were no military outcomes. However, they were strong enough to revive national and democratic demands, updating anti-imperialist traditions and in some cases reintroducing the socialist horizon. They went far beyond the basic stages of social protest, improved conditions for grassroots victories, and defeated the dominators. These results have not been seen in other parts of the world. The rebellions changed the social relations of power and limited the aggression that big capital had initiated with the dictatorships and bloody wars to destroy the heroic deeds inaugurated by the Cuban Revolution. At the same time, they affected the economic situation. While they did not reverse the regressive trend of these changes, they undermined their stability, viability, and continuity. They put a stop to the defeats of the people and forced more cautious attitudes on the capitalists of the epicenters and the neighborhoods of popular uprisings. As a result, Latin America has become a point of reference for all the world's social movements. This interest is obvious in any forum in which views about experiences of struggle are exchanged. The South American actions indicated paths of resistance to the suffocation imposed by payment of the foreign debt and the structural adjustments of the International Monetary Fund. They have shown how to implement an audit of the debt and how to protect reserves in the face of capital flight.

The scale of this Latin American resistance can be clarified by international comparisons. The contrast with the Arab rebellions is telling. There, too, neoliberalism had increased unemployment, made work precarious, and pushed the dispossessed into a democratic struggle against semidictatorial regimes. The United States assigns the same strategic importance to the Middle East as it does to the South of the American hemisphere, plunders the natural resources of the two regions with the same impunity, and attempts to exercise the same military supervision in both. For this reason, anti-imperialism awakens the same sympathies in the Middle East as in Latin America. But the people of Latin America have not suffered the warlike destruction and bloodshed experienced by the Arab world. They have managed to recreate nationalist, progressive, and leftist projects that have declined in the Middle East and have preserved historical secular traditions in contrast to the theocratic tutelage that gained prominence in the Arab region. While Latin America has been able to sustain its democratic victories, the Arab world is suffering a counteroffensive of imperialism and reactionary Islamism that threatens to bury the hopes that emerged during the Arab Spring in sectarian wars (Katz, 2013).

A comparison with Southern Europe is also instructive, given that various countries of that region suffer from the same adjustments imposed on Latin America during the past decade. They support the same creditor bank rescues

and the same transfer of bankrupt companies to the states. The deflationary policies applied in Greece and Portugal repeat the vicious circle of adjustment that tore up South America. However, the rebellions that brought down the neoliberal presidents and imposed social agendas in South America have not so far been repeated there. On the Old Continent they have to govern with the complex monetary mechanism of the euro in the midst of fascist threats and national issues more controversial than those of their American counterparts.

#### CONTINUITIES AND CHANGES

The period ushered in with the rebellions of the new century continues today. The great convulsion that led to the fall of six governments (2000–2005) was followed by a phase of greater stability (2005–2008) and then by a period of new mobilizations (2009–2013). The general reaction to the collapses created by indebtedness and privatizations has been replaced by more varied and differentiated demands. In some areas, the battle against the plunder of natural resources (Peru, Ecuador) occupies the position held in the past decade by opposition to the IMF. In other countries there have been mobilizations against the expense of transport (Brazil), the cost of education (Chile), and the invasion of agricultural imports (Colombia).

The situation may be summed up by the results obtained in the four countries that were at the forefront of the great rebellions. In Venezuela the right has resorted to every possible path to win back the government and failed again and again. It has attempted coups, conspiracies, and sabotage and lost 18 of the 19 elections held in the past 14 years. While social improvements continue, each of the elections has been a great battle against the right. This same continuity of social-democratic advances is seen in Bolivia in the context of the new constitution of the plurinational state. The level of combativeness, radicalism, and prominence of the grassroots sectors is very high and includes conflicts with the only president to have emerged from a social movement. In Ecuador this kind of conflict has resulted in the withdrawal of the indigenous movements that led the revolts, but the right has remained isolated and has few expectations of recovering the government in a context of political stability and some social improvement. Finally, the prominence in the rebellions of Argentina's unemployed and middle class has been replaced by that of organized workers in a framework of continued vitality of street protests and grassroots capacity to impose conquests.

The limits that the neoliberal assault is confronting in these four countries facilitate resistance in other nations. The struggle of Chilean students persists as a central event after various cycles of mass protest. The demand for free quality education has penetrated deep into the population and threatens the continuism pursued by the governments of the Concertación. The agrarian strikes in Colombia against food imports that are ruining small producers have the same anti-neoliberal influence. This protest clashes with the free-trade agreement in one of the countries most committed to trade liberalization and produces serious arm wrestling in a sensitive area for the ruling classes. The same is occurring in Peru with the defense of the environment against the destruction generated by mega-mining. The importance of this activity for Peruvian capitalism explains the brutality of the official reaction.

The main news of 2013 was the awakening of a giant in Brazil, with mobilizations that brought together a million people. The immediate response to the criminalization of protest illustrated the new democratic awareness in the face of repression. The bus fare increase was stopped, and the protests managed to impose a new agenda for public transport and public health care. A better-educated new generation, occupying the void left by the old activists, has questioned the wasteful spending on the World Cup. These marches put an end to the ebbing of the struggle in Brazil and placed the country in sync with the region (Antunes, 2013).

The state of social struggle in Central America differs substantially from that in the South of the continent. There have been no significant achievements there. On the contrary, capital's offensive against labor predominates. Mexico is the most obvious case of this situation. The country has been battered by rural depopulation, massive out-migration, the defeat of the miners, and the difficulties of the teachers' struggle. Impotence in the face of labor flexibility prevails in a context of state terrorism and the savagery of narcotrafficking. The flag raised in Chiapas 20 years ago persists as a symbol of resistance but has not been projected to the rest of the nation (Almeyra, 2013).

The explosive social conditions of this area may, however, generate an abrupt turn toward popular rebellion, especially in the countries that are recovering from the terrible legacy of the 1980s massacres. Since the signing of the peace agreements in 2006 there has been a great movement for justice and punishment of the oppressors of the massacres committed in the past in Guatemala. Another type of resistance is erupting in the places most affected by the aggression of the ultra-neoliberal presidents. For example, in Panama in 2012 there was a massive uprising against the privatization of land in Colón. The key battle of Central America is being waged in Honduras, where a vast resistance movement has eroded the power of the coup supporters. Heroically confronting the assassinations, persecutions, and intimidations of a criminal regime managed by the Yankee embassy, the people, though unable to break the continuity imposed by the right through fraudulent elections, managed to establish a pole of opposition of enormous magnitude. The contagion of Venezuela has been crucial in Honduras and influences all of Central America and the Caribbean. Venezuela acts as a nexus between the most vanguard grassroots actions of the South and the most reserved of the North. The transmission of experiences from one region to another is increasing, together with a growing popular perception of a common Latin American identity.

This advance in regional awareness is a direct result of the rebellions. None of the revolts evolved into a triumphant revolution, but the ruling classes could not resume the offensive or destroy the social balance of power created by grassroots action. Although many countries have continued to distance themselves from the resistance, new segments of workers have joined the protests. This balance of forces is taken into account by the post-neoliberal thesis for characterizing the current stage but without distinguishing its impacts in different countries. The incidence of popular victories is much more blurred in the thesis of commodities consensus, which suggests the existence of a uniform regional scenario that is little affected by grassroots actions.

## THE IMPORTANCE OF CUBA AND VENEZUELA

The Latin American rebellions had two decisive consequences: they breathed new life into the Cuban Revolution and encouraged the emergence of radical governments in Venezuela and Bolivia. During the 1990s, Cuba heroically resisted isolation and imperial aggression, and this reinforced its status as symbol of emancipation. It managed to maintain the socialist ideal alive in the face of embargoes and assaults that would have brought down the majority of political regimes in a matter of days. The change in the balance of power in the region and U.S. failures mitigated the siege of the island and revived its geopolitical position.

Cuba is going through a great transformation. The collapse of the USSR and the pro-capitalist turn in China have created a new global scenario that confirms the impossibility of generating socialism in isolation in a small place in the Caribbean. Cuba has shown that this project allows an economy with few resources to reach higher levels of education, lower infant mortality, and greater life expectancy than in the rest of the region. It is a country without hunger, organized delinquency, or school leaving. However, its economy, shaped with the expectation of participating in the global advance of socialism, has had to confront abrupt changes in the international context and to survive by accepting tourism, the foreign exchange market, and an undesired expansion of social inequality. Now it has embarked on a market reform to reactivate the economy while avoiding a return to capitalism. These changes are risky, but lack of action is a worse option and the combination of cooperatives and small private businesses under continued state primacy will permit a counterbalance to current difficulties. Changes will continue to unfold, anticipating the maturation of anticapitalism in Latin America (Katz, 2014).

These perspectives are feasible with the consolidation of anti-imperialist governments that confront serious conflicts with the ruling classes in a context of great social mobilization. Venezuela is the epicenter of these experiences. The Bolivarian process has introduced progressive transformations without eradicating the bourgeois state and capitalist relations of property. This is not the first time in history that an intermediate model of this type has been attempted, but what is novel is how long it has lasted. Chavismo has shown renewed vitality without Chávez. In December 2013 it obtained an unexpected electoral triumph (in 15 of the 24 capitals and 76 percent of the municipalities) facing a divided right, with its leader Henrique Capriles being too discredited and weakened to attempt a recall.<sup>5</sup> The right tried everything and achieved nothing. It failed with the coup, with electoral demagoguery, and with the pretense of Bolivarianism. Nicolás Maduro is working to overcome the enormous gap left by Chávez's death, and a new militant generation, more politicized and experienced in the battles of the past decade, has begun to emerge.

The Bolivarian continuity is explained by the persistence of social reforms that permitted significant achievements in the reduction of poverty (from 60 percent to 26.7 percent) and malnutrition (3.7 percent), declining unemployment (6.2 percent), and widespread incidence of "missions" (72 percent of households have some social assistance) (Guerrero, 2013; López, 2012). The Chávez project has resumed the initiative, with measures of economic

intervention to contain runaway inflation (54 percent at mid-year 2013). It confronts the same sabotage of mark-ups, shortages, and flight of dollars endured by Salvador Allende. The big capitalists are not only seeking revenge but hoping to regain management of oil revenues, which currently go largely to social spending. But the economic disorder also serves the millionaires of the corrupt *boliburguesía* (those who became rich under Chávez), who profit from market intermediation and large-scale speculation. The oil cash that the government administers should facilitate its action, but the enemy operates from within and periodically corners Chavismo with currency and financial maneuvers. The economists and activists who promote strengthening controls and making them transparent are outlining a way to guide the process toward a socialist path, but they are confronted with proposals of adaptation to capitalist adjustment and defection (Dieterich, 2013; Marea Socialista, 2013; Pérez, 2013; Zúñiga, 2013).

### DISPUTES IN BOLIVIA

Evo Morales leads another radical government that emerged from grassroots rebellion, but he governs a country very different from Venezuela. An enormous degree of poverty, economic backwardness, and a limited domestic market prevail in the altiplano, and in addition the country has a weak political structure and a very incomplete state that is incapable of bringing together the nationalities that its territory contains. The new plurinational constitution has begun to reverse racist elitism and to establish rights that were long overdue. Morales has reaffirmed his leadership by steadily increasing the electoral base of the organizations that support him (54 percent in 2005, 67 percent in 2008, 64 percent in 2009). He will soon contend for his third term with a solid rural foundation and important backing in the cities. He has been able to achieve some social improvement with the income the state gets from exports since the nationalizations (Stefanoni, 2013).

The current government of Bolivia has a foreign policy that is very critical of the United States (lacking an ambassador since 2008, expelling USAID, withdrawing from the International Center for Settlement of Investment Disputes). It has also managed to weaken the right-wing opposition, which vacillates between making deals and revisiting failed conspiracies. The great tradition of grassroots struggle that exists in the country has not declined, and mobilizations of health workers and teachers, miners, and indigenous people continue. The continuity of these movements tends to recreate the old image of an ungovernable country beset by state anomie and endemic and unresolvable conflict. When demands have popular support, the government usually negotiates (as with the opposition to the road through the Isiboro Sécure National Park and Indigenous Territory) or retreats (as with the proposed fuel increases). These vacillations express the undefined aspects of the process, which on the one hand promotes neo-developmental capitalist modernization and on the other aims to forge an egalitarian society. As does Maduro in Venezuela, Morales commands a government in dispute between the promoters of these two perspectives.

Some sectors disillusioned with the administration have opted for severe criticism. They argue that Morales has embraced neoliberal extractivism, encouraging harmful mining contracts with foreign gas companies and supporting the construction of roads that damage the environment. The characterization of a government should not, however, be based solely on environmental variables, which do not by themselves determine the relevant social facts. In addition, the policy on natural resources that Bolivia should implement will differ significantly from its German or Swedish equivalent. The altiplano urgently needs to use its assets in a sustainable way to overcome underdevelopment.

#### THE COSTS OF UNCERTAINTY

Some governments in the radical sphere are implementing policies that are more social-democratic. Ecuador is an example of this position. Rafael Correa has attempted capitalist modernization to optimize the function of the state without introducing structural changes. He has maintained the concentration of land in agriculture (where 5 percent of landowners hold 52 percent of the land) and the power of the big corporations (where 62 groups manage 41 percent of the GDP). The profits of these sectors have increased significantly (by 54 percent in 2004–2009) in a framework of continued economic predominance of oil, remittances, coffee, bananas, cacao, and shrimp (Machado, 2012). The government initially adopted the agenda of the rebellion led by the social movements, rejecting the free-trade agreement, closing the Yankee base in Manta, and authorizing a new constitution. Then it attenuated the reformist trend and limited itself to the use of the significant increase in tax revenues to strengthen social welfare. Promoting the concept of “living well,” it increased social investment from 0.35 percent in 2006 to 3.82 percent in 2011 (Houtart, 2012; Ogaz, 2013).

Correa’s overwhelming triumph in the elections of February 2013 inspired opposing forecasts. Some analysts (e.g., Borón, 2013c) argued that the demolition of the business right (Lasso, Noboa) opened the way for implementing the progressive agenda (press law, agrarian reform, penal code) with solid congressional support. Others (e.g., Martínez, 2013; see also Rosero, 2013) highlight the consolidation of strongman leadership (*caudillismo*), the revitalization of the army, and the increasing appointment of conservative officials to the detriment of radical figures.

Nicaragua offers another variant of this combination of radical positioning in the foreign sphere and a center-left strategy in the domestic. Daniel Ortega has recently obtained another great electoral triumph, broadening the support that he had received in the previous elections. Now he can govern without opposition, shelving the pact that allowed him to return in 2006 through electoral reform agreed to by the right. He continues to benefit from the memory of the disastrous management of the conservatives of 1997–2001 and the persistent division that prevails in the area (Alemán vs. Bolaño). The current Sandinismo is, however, light years away from the old Frente Sandinista de Liberación Nacional. It has become structured around a family-business group of Ortega’s that enters into agreements with the IMF, grants privileges to banks,

and penalizes abortion to build closer relations with the Church (López, 2011). The conflicts with the local oligarchs and the firm policy confronting the United States position Ortega opposite to the right, but his vigorous abandonment of the revolutionary past alienates him from the radical spectrum. The contrast between his discourse and his practice is enormous. He has traveled a very different path from the rest of the Latin American leaders, accepting the status quo and opting for a definite break with the original Sandinismo.

El Salvador presents a more complex situation. After many years of war and ultrareactionary presidencies, a coalition supported by the old guerrilla leadership of the Frente Farabundo Martí para la Liberación Nacional came to power in 2009. However, a journalist without a militant past, Mauricio Funes, was left in charge of the presidency, and he preserved neoliberal economic management, NAFTA, and the dollar as currency. He also embarked on a love affair with the United States that included participation in foreign operations and ministers allied with the State Department. The narrow margin for action that such a small country enjoys is obvious, as is its dependence on remittances (18 percent of GDP), which help 70 percent of families survive, but the government accepts these constraints as inevitable and reinforces an oppressive social order. Some analysts hold that the right is beginning to achieve in the postwar era what it could not obtain in 20 years of bloody battles. It is consolidating its interests and the privileges of the powerful (Calvo, 2012; Gutiérrez, 2014).

A more conclusive example of political frustration can be seen in Paraguay because of the timidity of former President Lugo. When the right demanded his resignation, he gathered up his belongings and went home, offering no resistance to the coup. The contrast with the valiant attitude of Correa or Zelaya was enormous. Even Mercosur's diplomatic inquiry into the coup was stronger than the deposed leader's reaction. His conduct crowned an administration characterized by vacillation. He failed to advance agrarian reform in a country in which 85 percent of the land was in the hands of 2 percent of the owners and peasants were being driven out by the expansion of soy cultivation. He acted as the typical conciliator, and this ended up strengthening the right as the social movements became disorganized and demoralized. The avoidance of radicalization and reforms that capitalism would not tolerate has led to frustration, halting the advance of the left and facilitating the return of the right.

#### THE DAWNING OF THE ALBA

To confront the siege deployed by U.S. corporations and banks, Venezuela and Cuba created the Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance for the Peoples of Our America—ALBA), agreeing to exchange a greater supply of oil from Venezuela for education and health services from Cuba and later extending this principle to a wide range of products. The countries that later became incorporated into the association (Bolivia, Nicaragua, Ecuador, Antigua, San Vicente, and Grenada) instituted the same mechanisms. They have introduced forms of cooperation between economies that prioritize social well-being over business profits. This criterion facilitates a very different project from the initiatives for Latin American integration based on competition and the market. In the political field, the ALBA has

assumed an anti-imperialist stance. It proposes to break with submission to the United States to strengthen sovereignty and facilitate grassroots progress.

In contrast to the free-trade agreements and Mercosur, the ALBA is inconceivable without a base in radical or revolutionary governments. There is a strong correspondence between the Latin American bloc under construction and the presidencies of the left. The ALBA could not survive without those national pillars, given that no ruling class would maintain the association if it recovered control of the government. The ALBA and its complements (such as Telesur) have a future if they cultivate anticapitalist components, but its immediate consolidation is limited by the severe underdevelopment of the economies that are participating in this initiative. There is only one country with significant resources (Venezuela), and having oil wealth is not the same as having a medium-sized economy or an industrial base. There is an abyss between it and the economies of the central powers and an enormous gap between it and those of Mexico, Brazil, and Argentina.

The Bolivarian governments have implemented a very progressive use of oil in foreign exchange. They assist the economies and populations that are most in need with measures aimed at undermining imperial domination. This action does not, however, generate economic development on its own or eradicate the backwardness of poverty-stricken countries. In addition to sponsoring valuable exchange initiatives, the ALBA has created a new common currency (the sucre) counter to the neoliberal model of the euro. The effective realization of this project will require more than this, but what is important is the identification of an economic agenda that is a potential alternative for the entire region and promotes new treaties among its members (such as Petrocaribe or Eco-ALBA). Members of this bloc will have to walk a tightrope. Venezuela, for example, became a member of Mercosur by defeating the veto exercised by the United States through Paraguay, but this meant accepting the adverse competition of duty-free goods imported from Brazil.

In the geopolitical field, the ALBA governments have played a salutary role with permanent initiatives against the U.S. military presence. Their support of Honduras's resistance, humanitarian aid to Haiti, and sponsorship of the peace negotiations in Colombia are three very important recent examples. They have also played the vanguard role in support of those persecuted for exercising freedom of the press. Ecuador offered asylum to Assange, confronting the United States and Britain's crusade to silence the communicator who revealed the great manipulations of diplomacy. Bolivia, Nicaragua, and Venezuela opened their doors in welcome to Snowden, the other whistleblower persecuted for showing the world how the imperial networks of espionage operate. Solidarity has been extended to governments that endure bombardments of slander by the great networks of global communication.

Mercosur and the ALBA are two very different projects despite occupying common spaces (such as the CELAC and the UNASUR). The former seeks to remodel capitalism around more autonomous regional supports while the latter mobilizes anti-imperialist action with the contours of postcapitalism. This divergence has translated into contrasting attitudes toward grassroots intervention. In contrast to the governments of Mercosur, the presidents of the ALBA usually complement the meetings of their leaders with militant

discussion forums (“people’s summits”). The ALBA’s recent establishment of its Social Movements Assembly reflects this conception of grassroots construction. Its participants are a generation of activists that is explicitly rehabilitating socialism and openly challenging capitalism, and they have begun to formulate proposals for continental action to advance toward Latin American integration, achieving financial, food, and natural resource sovereignty (Movimientos Sociales del ALBA, 2013).

#### RESPONSES TO THE DEBATE

The characterization of a third bloc of revolutionary and radical governments allows us to clarify the opposition suggested between the post-neoliberal and the commodities consensus views. Undoubtedly, the anti-imperialist axis brought together in the ALBA promotes a head-on collision with neoliberalism. It is counterposed not only to the free-trade and reactionary bloc of the Pacific but also to the capitalist regionalism led by Brazil. Post-neoliberal status would apply only to this radical segment rather than to the whole of South America. The notion of post-neoliberalism would erroneously equate the ALBA with Mercosur and overlook the qualitative difference between the radical presidents (Maduro, Morales) and those of the center-left (Rousseff, Kirchner).

These inconsistencies derive from a confused use of the concept of post-neoliberalism. The notion is employed in so many senses to allude to such a diversity of situations that it ends up navigating in ambiguity. It is unclear whether it applies to governments, periods, or patterns of accumulation, and it does not clarify the economic policies that are in vogue, which often vary with the conjuncture and may be more or less heterodox in response to the global crisis. In its most common usage, “post-neoliberalism” identifies a period subsequent to and replacing the Washington Consensus, but it emphasizes the political turn toward autonomy, overlooking the persistence of the economic model generated during the previous phase.

The opposing characterization, commodities consensus, highlights the extractivism that prevails throughout the region and is endorsed by governments of different types that have replaced financial valorization with submission to mining, oil, and soy. In contrast to post-neoliberalism, it plays down policy changes and highlights the conservative economic convergence. The idea of commodities consensus commits an error symmetrical to the overvaluing of progressive political shifts. It does not recognize the intense divergences among right-wing, center-left, and radical governments in all the areas that are not part of the specialization in basic exports. The main difficulty appears at the moment of explaining the positions on social reforms adopted by a radical political axis based on primary mono-exports. Venezuela has not managed to eradicate the preeminence of oil, Bolivia has not liberated itself from the centrality of mining or gas, and Cuba has increased its ties to nickel and tourism, but did this dependence turn Chávez, Morales, and Fidel Castro into presidents like Fox, Uribe, or Garcia? The confusions in this area lead to characterizations that mechanically identify the influence of agro-exports and mining with the increase in political dependency or neocolonialism. In the most extreme cases, Morales is presented as an “extractivist neoliberal” and Correa as an “agent of transnational capital.” Extractivism is a concept that is well suited to illustrating

particular features of the Latin American economy. These characteristics condition the pattern of reproduction but do not describe the character of a political regime or the nature of a government.

#### DIMENSIONS IN CONFLICT

To evaluate what has occurred in the past decade one has to integrate the two dimensions of the ongoing processes. The political transformations in the region emerged in a framework of continued primary-export specialization. There is both greater diversity of governments and more prevalence of the same model of reproduction. The post-neoliberalism-vs.-commodities-consensus paradigm does not examine this contradiction. Both concepts contain part of the truth but do not explain the regional scenario. To understand why Venezuela and Mexico travel such different paths in similar contexts one has to distinguish the economic aspects from the political-social determinants. The pattern of reproduction accounts for the structure of production and international position of each economy, but the governments should be characterized in terms of other evidence. They emerge from the history and political tradition of each country in correspondence with the needs of their ruling classes and the outcomes of social struggles. The two dimensions are linked and the changes in one area directly impact the other, but these changes do not have the same rhythm or the same direction. In the past decade the great political transformations of Latin America have had a very limited effect on the economic sphere. They have disrupted the national context of certain countries without altering their reproductive schemes.

This result confirms that the action of a government has limited effects on capitalist accumulation. A right-wing administration completely conforms to the neoliberal pillar, a center-left administration confronts conflicts, and a radical process clashes with these principles, producing harmony in one case, coexistence in another, and counterposition in the third. However, the modification of an economic model and an international position goes far beyond presidents and their economic policies. It is important to differentiate these levels of analysis to integrate them into a totalizing characterization. Grassroots triumphs against neoliberalism do not determine a post-neoliberal landscape, and continued primary-export specialization does not result in a common status for all governments.

The lack of synchronization between politics and the economy that is seen in Latin America derives from the recent incidence of victorious popular rebellions, which limited the regressive effects of neoliberalism without halting it. The dualities of the region are explained by the dynamic of uprisings that were not defeated but also did not become triumphant anticapitalist revolutions. This intermediate result is reflected in the variety of governments. Duality is not, however, synonymous with lack of definition, and the conflict of trends must be resolved. The ALBA governments can reach their progressive goals only if they radicalize, confront the ruling classes, and begin to eradicate the primary-export model. The key to this turn is found in the revolutionary transformation of the state. If this turn is delayed, the dominant will have time to destroy or neutralize the radical experiments. The response to the initial question

about the more autonomous or dependent character of Latin America will be settled by these outcomes. The dualities of the region cannot become permanent. Ultimately they will tip the scales toward a stormy adaptation to capitalist oppression or a new development of socialism.

## NOTES

1. Remittances have generated a lucrative business for exchange agencies (Western Union, Thomas Cook, MoneyGram). Transfers to developing countries worldwide were more than US\$332 billion in 2010 and US\$372 billion in 2011 and were estimated to reach US\$467 billion by 2014 (*La Nación*, September 24, 2012).

2. The turn implied greater subordination of the national bourgeoisie to foreign capital and the consequent disinclination to implement progressive changes (Santos, 1998).

3. The richest 1 percent receives 31 percent of the income, while the richest 5 percent receive 257 times more than the poorest 5 percent (Brum, 2013; Quijano, 2013).

4. After the conflict over espionage, U.S. corporations were left out of the bidding for the great Libra oilfields and the pro-North American Patriota wing lost ground to the critical Amorim-Figueiredo sector. For two opposing assessments of the aircraft purchase decision, see Borón (2013b) and Zibechi (2013).

5. The massive participation of the electorate in the Venezuelan elections has been decisive and is one great channel for grassroots action, in contrast to the situation in Chile, where much of the population has lost confidence in the utility of the vote.

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