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Global Research

Imperial Globalization and Social Movements in Latin America

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10/17/2009

Introduction

The unimpeded growth of Euro-American capitalism following the collapse of Soviet and European communism, the conversion of China and Indochina to state capitalism, and the rise of US backed, free market military dictatorships in Latin America give new impetus to Western empire building, labeled “globalization”.

The process of globalization was the result of ‘external’ and ‘internal’ conditions and class coalitions embedded in the social structure of both the imperial and ‘recipient’ or targeted countries. The expansion of capital was neither a linear process or continual expansion (accumulation) nor of sustained collaboration by the targeted countries. Crises in the imperial centers and regime transformations in collaborator regimes affected the flow of capital, trade, rules and regulations.

One of the unintended consequences of the ascendancy of global ruling classes was the rise of large scale and tumultuous social movements, especially in Latin America, which challenged the rulers, ideology and institutions sustaining the global empire.

The relations between imperial globalization and social movements are complex, changing and subject to reversals or advances. This study, with its focus on Latin America, addresses several hypotheses exploring the relation of globalization and social movement over a thirty-five year period: from the onset of the free market doctrine which is the motor force of globalization (1975) to the present 2010. This time frame provides us with a sufficient period

to observe the long term operations of global capital and the historical trajectories of social movements. By including Latin America as a whole, we incorporate an entire continent and lessen the possibility of idiosyncratic developments specific to a single country.

Our inquiry is guided by a specific set of hypothesis that will be tested through a historical analysis of global economic tendencies and the trajectory of social movements. We will proceed by providing a brief overview of the dynamics of globalization and the growth of social movements in Latin America and then proceed to specify our key hypothesis regarding the relationships between globalization and social movements.

Globalization: Class, State and Economy

The onset of a new and dynamic phase of imperial capital expansion, which we will call globalization, owes a great deal to the favorable political outcome of the capital – labor struggle on a world scale. The defeat and retreat of the working class in the West, particularly in the US and England, and the self-destruction of the Communist regimes of the East laid the groundwork for an aggressive global crusade against leftwing regimes and movements in the Third World, especially in Latin America. The ‘rollback’ of the working class movements was particularly vicious and successful in Latin America, where the major part of the continent experienced the onset of military dictatorship, which dismantled the national constraints on capitalist flows and trade tariffs.

Within this new global framework of imperial empire builders and authoritarian collaborator regimes, several factors enhanced global economic expansion.

- (1) Technological innovations, especially information technologies accelerated the flows of capital and commodities.
- (2) Large scale accumulation of capital in the imperial states, a relative decline in rates of profits and the growing role of finance capital spurred the drive for overseas investments, speculation and buyouts of privatized firms.
- (3) Intensified competition between the US – EU – Asia drove MNC to seek advantages by securing banks, resources; market shares within Latin America.
- (4) The rise of pro-western rightist dictatorships provided exceptionally favorable socio-economic conditions for buyouts and acquisitions of local enterprises and resources, extraordinary returns on financial speculation and minimum opposition from repressed trade unions and nationalist and leftist parties.

As a consequence of these structural changes, free market doctrines and neo-liberal policies were put in practice resulting in bilateral free trade agreements (NAFTA), and deregulation of the economies. The growth of speculative activity took root and prospered, at the same time that social safety nets was dismantled.

After over two decades of highly polarized development and mediocre growth the neo-liberal economies stagnated and went into crises: commodity prices fell, the financial bubbles burst, large scale banking swindles impoverished middle class depositors, investors were defrauded, leading to a virtual economic collapse and mass unemployment. By the beginning years of the new millennium, Latin America faced a systemic crisis in which neo-liberal regimes were overthrown, social movements were in ascent and economic bankruptcies were multiplying. Center-left parties and coalitions were elected and moved to implement ameliorative measures which lessened the impact of the crises. Stimulus packages were passed to revive the economies. The vertical rise of agro-mineral prices in world market facilitated economic recovery which lasted till the onset of the world recession of 2008.

Social Movements

Growing out of the polarized growth, intensified exploitation of labor and displacement of peasants and farm workers, endemic to free market policies, social unrest spread in rural areas, especially among the landless rural workers, peasants and Indian communities. A new generation of militant leaders emerged, with a capacity to link local grievances to national and international structural policies. By the early 1990s mass movements took hold and launched a series of mass campaigns and mobilizations which spread to the cities and engaged the growing mass of unemployed urban workers, public sector employees and impoverished downwardly mobile middle class business people and professionals.

The crises precipitated large scale uprisings led by the new social movements, demanding systemic changes but settling for the election of center-left regimes. The first decade of the 21st century witnesses the ebb and flow of movement activity eventually settling into varying niches in the new order presided over by the center-left regimes.

Key Hypothesis

The expansion of ‘globalization’ or the imperial centered development model was accompanied by the growth of mass social movements. This raises the fundamental question of the relationship between the two processes. We set out several hypotheses to explore the relationship.

- (1) The greater the deregulations of the economy leads to the acceleration of globalization and spurs the growth of the social movements.
- (2) The crises and breakdown of deregulated globalization leads to a greater role and radicalism of the social movements up to and including social upheavals overthrowing incumbent regimes.
- (3) The stronger the regulatory regime controlling the globalizing process the lesser the impact of the crises, the more moderate the activities of the social movements and the less likely a popular rebellion.
- (4) The weaker the social safety net in time of crises the bigger the social movements and the more radical their demands. Conversely, the stronger the social safety net in time of crises the

slower the growth of the social movements and the more reformist their demands.
(5) Depressed world commodity prices are more likely to engender radical social movements than periods of buoyant prices.

By combining our four principle variables into a single hypothesis on the relation of globalization and social movements, we come up with the following two propositions.

The optimal conditions for radical mass social movements occur when an economy is highly deregulated, in times of financial crises and productive recession, when commodity prices are depressed in the context of a weak social safety net.

Conversely, radical mass social movements are less likely to emerge under a highly regulated economy with a strong social safety net when world commodity prices are rising and the economy is buoyant.

Testing the Hypothesis: Latin America 1980 – 2010

Between 1980 – 1990, Latin America experienced a period of moderate growth and stable world prices for its commodities. This was a period of major dismantling of state regulations of the economy and weakening of the social safety net. Yet there were not major social uprisings nor mass social movements, except in Chile between 1985 – 1986, which ended with a US backed political pact between the Pinochet dictatorships and the Socialist-Christian Democratic parties and their subsequent ascent to government in 1990.

During the first half of the 1990's world commodity prices declined to historic lows, the social safety net continued to deteriorate; capitalist profits soared in an orgy of privatizations and foreign takeovers, while overall growth stagnated. Social movements grew, mass mobilization, extended from the countryside to the cities but few popular rebellions occurred.

The period between the late 1990's to the early 2000's (roughly 1999 – 2003) experienced a major socio-economic and political crisis, including economic and financial crises in Argentina, Bolivia, Brazil, Venezuela, Ecuador, Peru and Uruguay. After over twenty years of free market policies accompanying the globalization process, the social safety net was in tatters. Commodity prices remained low and financial deregulation deepened the vulnerability of the economies to the US recession.

Between 2000 – 2005, neo-liberal regimes were overthrown or replaced in Argentina (3 regimes in 2 weeks) 2001 – 2002, Bolivia (2003, 2005) Ecuador (2000, 2005), Peru, Uruguay, Brazil, Venezuela (coup regime 2002 lasted 48 hours). Social movements grew precipitously throughout the region and their demands radicalized, including fundamental structural changes. The Brazilian Landless Rural Workers Movement (MST) led massive land occupation movements throughout the country. Worker, peasant, Indian uprisings in Bolivia ousted two incumbent electoral regimes. In Ecuador, Indian –urban movements in coalitions overthrew an incumbent neo-liberal regime in 2000 and a broad based urban citizens movement ousted a corrupt neo-liberal regime in 2005. In Argentina, a popular rebellion led by unemployed workers impoverished middle class neighborhood organizations ousted neo-

liberal presidents and dominated politics throughout 2001 – 2003. In Venezuela a mass popular mobilization with military allies ousted the US backed business – military junta of April 2002 and restored President Chavez to power.

The period between 2003 – 2008 witnessed a sharp rise in commodity prices to record levels; the ascent of center-left regimes was accompanied by capital controls and the partial restoration of the social safety net, rapid economic recovery and relatively high growth. Social movements receded, their demands focused on immediate reforms, mobilizations were more infrequent and some of their key leaders were co-opted.

The period between 2008 – 2010 witnessed a sharp decline of growth, reflecting the impact of the world recession and the decline of commodity prices. While most countries entered a recession, the financial system did not experience a collapse comparable to the earlier period (2000 – 2002), in part because of the capital controls in place since the earlier part of the decade. While unemployment grew and poverty levels increased, the improved social net ameliorated the impact of the recession. The social movements increased their activity and experienced mild growth but with few if any direct challenges to state power, at least during the first two years of an ongoing crises.

Conclusion

Our historical survey demonstrates that single factors such as implantation of neo-liberal changes and deepening globalization in and of themselves do not lead to the growth of massive, radical social movements: witness the period of 1980 – 1990. Nor do low commodity prices a weak social safety net and declining state revenues provoke popular uprisings and radical mass social movements. Likewise an economic crises, such as the recession of 2008 – 2010 has not led to a resurgence of mass radical social movements and popular rebellions.

Only when a combination of internal factors, such as a weak social safety net and a deregulated economy and an external crises such as a global recession and declining world commodity prices do we have optional conditions for the growth of dynamic mass radical social movements.

Writers who focus or start from a ‘world system’ or other ‘globalist’ perspectives’ in attempting to address the rise of social movements as a function of the ‘operations’ of the market fail to take account of the internal political and social struggles and the resultant state social polices as determining factors.

We should note that social movement rebellions do not suddenly occur because all of the contingencies are in place. The social upheavals at the end of the nineties and early half years of the new millennium had a decade of gestation: organizing, accumulating social forces, creating alliances with institutional dissidents – like radical church people – and developing leaders and cadres. Economic crises, at best, was a “trigger” event which severely discredited the ruling class, undermined the dominant ‘globalization’ ideology, that allowed the movements to make a qualitative leap from protest to political rebellion and regime change.

Finally though, it is not central to this paper, we should note that while social movements at their height were able to oust incumbent neo-liberal regimes, they were not able to take political power and revolutionize society: to their upheavals allowed center-left politicians to come to power. Ironically, once in power they passed sufficient social economic reforms to fend off the re-radicalization of the movements when the world economic crises struck again at the end of the first decade of this century.