

## **LATIN AMERICA DOSSIER**

### **Contents**

<b>Page 1.</b>	<b>Bolivia Transition on Hold, Jeffery Weber</b>
<b>Page 11.</b>	<b>A new party for the Venezuelan revolution, Stuart Piper</b>
<b>Page 12.</b>	<b>Four years debate on Brazil in the Fourth International, Jan Malewski</b>
<b>Page 15.</b>	<b>Resistance and Revolution in Latin America, Phil Hearse</b>
<b>Page 19.</b>	<b>Notes on the Situation in Latin America, Francois Sabado</b>
<b>Page 22.</b>	<b>Uruguay, Progressismo and the neoliberal matrix, Ernesto Herrera</b>
<b>Page 28.</b>	<b>Venezuela – Blows and Counter-Blows, Marta Harnecker</b>
<b>Page 37.</b>	<b>Stuart Monkton/Alex Callincos debate on Venezuela</b>
<b>Page 46.</b>	<b>Showdown in Mexico, Phil Hearse</b>
<b>Page 50.</b>	<b>Socialism in the 21<sup>st</sup> Century – some initial lessons from Venezuela, Stuart Piper</b>

### **1. Bolivia: Transition on Hold**

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#### **Jeffery R. Webber**

“The transnational corporations always provoke conflicts to accumulate capital, and the accumulation of capital in a few hands is no solution for humanity...And so I have arrived at the conclusion that capitalism is the worst enemy of humanity.” — **President Evo Morales, Cochabamba Bolivia, May 22, 2007, Associated Press.**

“We are going to correct the discourse, suspending that unnecessary rhetoric, because on top of everything it does not correspond with our actual practice... in this year [the first year of the MAS government] there was not a single measure that has affected the middle classes, or even the upper classes of Bolivia... We repeat a thousand times: the government of President Morales respects private property, respects religion, respects healthy business activity, guarantees private participation in education and health.” — **Vice-President Álvaro García Linera, March 1, 2007, Clarín (Argentine Newspaper).**

“We want capitalism with a bigger state presence.” — **Vice-President Álvaro García Linera, May 20, 2007, Clarín.**

THE 19TH NATIONAL Congress of Factory Workers of Bolivia was held in October 2006, and the proceedings produced a remarkable document that speaks to the unique depth of radical labor traditions in Bolivia.<sup>(1)</sup> The document situates the contemporary domestic situation within the wider parameters of global capitalism since the fall of “real socialism” in the Soviet Union and the Eastern bloc, the increasing radius of capitalist social relations to a planetary level, the rapid pace of capitalist exploitation in contemporary China, the new reality of mass unemployment as a permanent phenomenon, and the blows suffered by the international working class in different regions of the world since the close of the “golden age of capitalism” and the onset of neoliberalism in the 1970s.

At first glance, the ideological position of this Congress might seem fairly irrelevant given that “the largest share of the workforce — around 66% — is engaged in the informal sector, including thousands of micro-businesses, small-scale and often contraband and the illicit coca trade.” (Economist Intelligence Unit, Bolivia: Country Profile 2006, 20) Nonetheless, the influence of factory workers’ unions, especially in Cochabamba, extends far beyond their formal membership.

Beginning in the late 1990s, the factory workers’ union in Cochabamba led them to open the doors of their centrally-located union offices to neighborhood associations, poor people’s networks, water rights activists, the unemployed and others. When the Water War erupted in

2000, the union office became the initial home of the Coordinadora, the overarching social movement organization that tied together the rural and urban allies who fought against the privatization of water.

A shoe factory worker, Oscar Olivera, leader of the Federation of Factory Workers in Bolivia, became the lead spokesperson of that movement and one of the most prominent figures on the Bolivian left in the opening years of this decade. (See Oscar Olivera with Tom Lewis, *Cochabamba! Water War in Bolivia*, South End Press 2004, 121)

The factory workers persuasively argue that the neoliberal model (privatization of resources and services, market dominance and worship of "free trade") has meant the deepening of the neocolonial character of the Bolivian economy as a producer of raw material (with natural gas taking over the role that tin played for much of the 20th century), the profound penetration of international capital into, and therefore control over, the most important productive sectors of the economy, and the creation of unprecedented levels of unemployment. They point out that over 110,000 factory workers and miners lost their jobs in the 1980s as a consequence of privatization and the closure of "uncompetitive" factories.

The other prominent characteristic of the current period identified by the factory workers is the campaign of permanent war orchestrated by U.S. imperialism and its allies in Afghanistan, Iraq, Palestine, the Balkans and elsewhere since the end of the Cold War. Facing up to this situation, the document suggests there are two options for the working class at the international level: the deepening of barbarism and wars and the worsening of the social conditions of the masses, or the definitive victory of socialist revolution.

The current government of the Movimiento al Socialismo (Movement Towards Socialism, MAS), which took office in January 2006 after Evo Morales was elected President with 53.7% of the vote on December 18, 2005, is not an instrument for such a definitive victory in the Bolivian context, according to these workers. Rather, the Morales government represents the ideological resurgence of populism.

The four strategic guidelines coming out of the congress stressed autonomous, independent, and militant action of the working class: for class unionism; for a revolutionary leadership; for a political instrument of the workers; and for social revolution.

## **Legacies of Traditions and Contradictions**

The revolutionary consciousness which characterizes the document from the factory workers is representative of one of two main insurrectionary traditions which continue to inform contemporary Bolivian radicalism. It is but one example of how the memories of Bolivia's militant trade unionism in the 20th century still live within the novel workplace and community settings of the opening decade of the 21st century.

First forged between 1880 and the 1952 national-populist revolution, the Bolivian workers' movement has been defined by powerful ideologies of revolutionary Marxism, anarcho-syndicalism and anti-imperialism.<sup>(2)</sup> For much of the 20th century the Bolivian labor movement was unique in Latin America for its militant independence, radical consciousness, and its relative freedom from the shackles of state corporatism.

Led overwhelmingly by the miners, the workers attempted unsuccessfully to steer the 1952 revolution toward revolutionary socialism, fought against a string of military dictatorships between 1964 and the early 1980s, and played a leading role in the recovery of electoral democracy in 1982, even as they sought to transcend liberal democracy and provoke a transition to socialism.

Despite the fact that the Bolivian working class, and the miners in particular, suffered an incredible series of defeats between 1985 and 2000, their revolutionary Marxist traditions were carried with them into the very new organizing contexts of the major urban slums — especially El Alto, on the edge of the capital city of La Paz — and to the coca-growing region of the Chapare, in the department of Cochabamba.

In 2005 and 2006 I attended innumerable meetings in El Alto, a place many in Latin America refer to as the most revolutionary city in the Western hemisphere, an urban shantytown of 800,000 residents, 82% of whom self-identify as indigenous. I was endlessly impressed by the

way in which ex-miners, forced to relocate to El Alto in the mid-1980s in search of survival and still dressed in their mining fatigues, would intervene in popular meetings with penetrating and lucid Marxist analyses of the current conjuncture of global capitalism and the balance of social forces in the Bolivian national context.

The ex-miners would then present what they thought to be the best course of militant action for the popular movement in El Alto in order to push forward the struggle for indigenous liberation and socialist emancipation. The ex-miners, moreover, were never merely pundits on podiums. They were often the first to arrive and the last to leave the front-line clashes with police and military forces.

I am convinced that the radical cultural legacy of militant workers' struggle from below has endured, even if it was temporarily debilitated by the terrible, distorting onslaught of neoliberal economic adjustments. Working-class struggle has had to adapt and recompose itself in the face of the new realities and the tremendous obstacles in the way of forging working class solidarity.

The other major tradition which underlies current Bolivian radicalism runs even more deeply into the history of Bolivia, in fact to pre-republican patterns of anti-colonial resistance. This tradition is one of indigenous radicalism and insurrection against colonialism stretching back centuries, and against internally colonial race relations since the founding of the Bolivian republic in 1825.(3)

As historian Brooke Larson writes, "stories of [the Aymara indigenous hero] Tupac Catari's six-month 1781 siege of La Paz still haunt the nightmares of its upper-class inhabitants." (4) She might have added that, on the other side of the racialized class divide, these same stories have inspired contemporary indigenous radicals in their urban repertoires of insurrection and rural road blockading for much of the current decade. Before Catari was drawn and quartered for his role in the 1781 revolt he warned the colonialists that he would "return as millions," and the protagonists of recent rebellions see themselves as part of this return.

While there were certainly periods over the last two centuries when revolutionary Marxist and insurrectionary indigenous movements coalesced in their resistance to capitalism and racial oppression, the relationship between the two traditions was not infrequently fraught with tension and rivalry.

The complementary nature of the anti-capitalist, anti-imperialist and indigenous-liberationist wave of left-indigenous struggle between 2000 and 2005, then, was a particularly compelling illustration of the force that such solidarity can engender.(5) Together, left-indigenous popular forces struggled against the privatization of natural resources, put their bodies on the line as the military callously repressed unarmed civilian demonstrators, and managed to overthrow two neoliberal presidents: Gonzalo Sánchez de Lozada in October 2003 and Carlos Mesa in June 2005. All of this laid the basis for the contradictory and complex electoral victory of Evo Morales and the MAS.

While clearly there were differences within and between the myriad leftist groups and indigenous organizations in this period, a shared commitment to multifaceted liberation was widespread. The strength of their unified collective action was palpable during the peaks of rebellion — October 2003 and June 2005 — when hundreds of thousands of indigenous peasants, laborers in the informal economy, miners, pensioners, unemployed, teachers, students, health care workers and so many others literally took over the streets of La Paz and demanded fundamental change to the organization of the economy, state and society.

Unfortunately, a third tradition influencing Bolivian radicalism has repeatedly circumvented the realization of these first two emancipatory projects. This is nationalist populism, which has manifested itself in various forms and in different contexts over the years, but is most closely associated with the 1952 National Revolution, and the party of that revolution, the Movimiento Nacionalista Revolucionario (Revolutionary Nationalist Movement, MNR).

The revolution achieved the nationalization of the mines, the breaking up of the haciendas (large land holdings) through wide-scale agrarian reform, and the abolition of the hated pongueaje, a system through which indigenous rural laborers had been obliged to provide personal service to the landowner, his family, and his overseers in exchange for the ability to sew small sections of land on the hacienda. The labor movement, led by the miners,

demanding the full-scale socialization of property relations and the institutionalization of workers' control in the mines and elsewhere during the opening years of the revolutionary process.

However, after the initial period in which the MNR was forced to enact major reforms due to pressure from popular movements, the MNR quickly turned on the workers with the assistance of US imperialism. In alliance with co-opted peasant organizations — placated by the recent land reforms — the MNR began reversing the gains of the revolution and rebuilding the army as a means of repressing the miners.

In 1956, an IMF-backed economic stabilization program was introduced, and by the arrival of the 1964 right-wing military coup the state had developed an elaborate system of divide-and-rule tactics to deal with rural and urban popular sectors, repressing the most radical and integrating those who could be integrated through cooptation and the divvying out of selective benefits from the state's purse.

While the main currents of the insurrectionary wave of left-indigenous struggles between 2000 and 2005 seemed to have freed themselves of much of this nationalist-populist baggage, they were nonetheless unable to form a collective revolutionary project capable of taking power and driving forward a program of socialist and indigenous liberation. The MAS filled this vacuum as the only political party with cross-regional and inter-ethnic networks of alliance and an early history of solidarity with extra-parliamentary activism in the rural road blockades and street protests.

Since 2002, however, the MAS had been steadily transformed into a moderately reformist party bent on winning elections through the courting of the urban middle class. This was evidenced most obviously by the minimal role played by the party in the October 2003 and May-June 2005 rebellions, and in the MAS's temporary alliance with the neoliberal government of Carlos Mesa between 2004 and 2005.

Today it is increasingly apparent that the MAS has recreated the legacy of nationalist-populism in a new melange fit for the 21st century. The government has incorporated some of the language of indigenous liberation developed by the earlier popular struggles but has separated its indigenous focus from the material reality facing indigenous people.

In spite of the fact that indigenous people in Bolivia — who also constitute the vast majority of the rural and urban working class — experience racial oppression and class exploitation in a profoundly interpenetrating fashion in their everyday lives, the MAS government has concluded that a transition to socialism is impossible in the country for between 50 to 100 years.

As a parallel component of this government thesis — known as "Andean-Amazonian Capitalism" — indigenous liberation has come to represent an impoverished version of its former self. In the worldview of Vice-President García Linera, indigenous liberation has come to mean simply the creation of an indigenous national bourgeoisie, or an "Andean-Amazonian" capitalist class. Disturbing parallels with South Africa's post-apartheid trajectory under the African National Congress (ANC) spring easily to mind.

García Linera's conception rests on the assumption that Bolivia must go through a 50-100 year stage of development in which the productive forces of capitalism will be nurtured to maturity. This is "Andean-Amazonian" capitalism in the sense that petty-bourgeois sectors of the indigenous majority today will be the national bourgeoisie of tomorrow...a capitalism, in other words, that will be nice to indigenous people.

The Vice-President's theory is heavily indebted to the economistic, evolutionist Marxism of the early 20th century Second International, filtered through the tired line of the old Bolivian Communist Party. On this view, the national productive forces are not yet conducive to socialism; the formation of an indigenous capitalist class will be this revolution's achievement.

Thus the new nationalist-populism incorporates a diluted ideology of indigenous liberation while foreclosing the possibility of a transition to socialism. The MAS has also borrowed from the MNR's strategy of the 1950s in terms of seeking to divide the popular movements, control the most important social movement organizations, contain rank-and-file activism that exceeds the strict parameters of moderate reform, and even repress workers and peasants who are unwilling to submit to the limits of populism and subordination to the state.

A brief overview of the main policy developments since January 2006, the dynamics of right-wing autonomist forces in the departments of the media luna (half moon) — Pando, Beni, Santa Cruz and Tarija — and popular struggles on the ground still unfolding will provide a clearer picture into this new Bolivian reality under the Morales government.

### **Nationalizing Everything, Nationalizing Nothing**

Undoubtedly the most anticipated policy measure of the MAS government was announced on May 1, 2006: the “nationalization” of natural gas and oil. Bolivia has the second largest reserves of natural gas in South America, trailing only Venezuela in proven and probable deposits. Within weeks of the May Day events it was tragically obvious that presidential decree 28701, through which the nationalization was declared, did not actually signify the nationalization of anything.

The Morales government led the public to believe that the decree established a new regime of royalties and taxes whereby 82% of profits would now go to the state, and only 18% to private companies. In fact the 82/18 measure was only a transitory strategy which forced transnational corporations to enter into new contracts with the government within a period of 180 days, or to abandon the vast riches under Bolivian soil. The new contracts would be negotiable such that it was always understood that the maintenance of the transitory 82/18 relationship would be an exceedingly unlikely outcome in the long term, and that the petroleum multinationals would more likely come out doing much better under the new contracts.[\(6\)](#)

After seemingly interminable delays, and charges from the right-wing opposition of MAS corruption, incompetence and inefficiency, the Morales government signed 44 new contracts with 12 foreign petroleum companies for a period of 30 years in October 2006. The government also managed to solidify new deals for exporting gas to the most important markets of Brazil and Argentina at higher prices than those secured by preceding neoliberal administrations.

Between 1998 and 2002 natural gas exports generated roughly \$232 million annually for the Bolivian state. In 2006, as a result of the transitory high tax period and the new contracts, the Morales government took in \$1.65 billion, and expects that annual figure to rise to \$2 billion in 2007, and \$4 billion by 2010.[\(7\)](#)

Thus the period of purified looting and unmitigated robbery of Bolivia’s natural resources by transnational corporations may be over, at least for the moment. The larger state cut of the natural gas pie — the medium- to long-term size of which is contingent on the unstable price of natural gas on the world market — has freed up revenue for the Bolivian state to reinvest in social programs, although it has not yet done so on any significant scale.

But the more acceptable tax arrangement does not mean nationalization, and in this respect even the reformist measures of the Morales government fall well short of those enacted in the years immediately following the 1952 revolution. The transnational petroleum companies remain in control of the industry; the state oil company, YPFB, continues to be underfinanced and therefore incapable of exploration or production; and Bolivia continues to be trapped in the export of a primary commodity with no value-added, the price of which is currently high but will inevitably drop at some indeterminate future time.

As Raúl Zibechi points out:

“The problem with not nationalizing hydrocarbons is that the reformulation of the state-owned YPFB ... is not real. The new contracts require that YPFB not make investments or assume risks or responsibilities, but rather, act as an overseer for hydrocarbon companies .... The agreement signed with Argentina, which raises the price of gas supplied to this country, as well as the supply to Brazil, which makes up 30% of the energy used by the powerful São Paulo industrial belt, will provide a considerable boost to state revenue, but consolidate gas exports without industrialization. In practice, it will render large profits in the short term but create problems in the long run.”

Whatever the serious limitations to the gas policies of the Morales administration, the new government’s policy in the mining sector is far worse. In the leadup to the December 2005

elections, Morales promised to rehabilitate the Bolivian Mining Corporation (COMIBOL), which had been devastated during the privatization of the mining industry in the mid- to late-1980s. In practice, in the western mining zones of the Andes the Morales government has instead promoted new "shared risk" contracts between transnational companies and the privileged sectors of the petty-bourgeois mining cooperatives (cooperativistas).

Bolivia is also home to Mutún, the largest iron deposit in the world, located in the eastern lowland department of Santa Cruz. The Morales government reached a deal with the Indian giant Jindal Steel & Power to exploit the mine beginning in September 2007. Morales emphasizes the fact that the new project will bring in roughly \$200 million annually in tax revenue, but a number of economists say that the terms of the deal constitute a veritable robbery of Bolivian resources and a missed opportunity to rebuild COMIBOL.<sup>(8)</sup>

All this is occurring in the midst of a commodities boom driven to a significant degree by the extraordinary expansion of China's economy. The prices of nickel and tin skyrocketed 18% in 2006, for example, while China forecasts 8% GDP growth for 2007, following on 10.7% growth in 2006.<sup>(9)</sup>

The strength of metal commodities prices has led to intensified struggle between state-employed miners in the western altiplano (high plateau) and the cooperativistas. The former group, drawing on the revolutionary traditions described above, want to re-nationalize the mining industry and place it under workers' control. The latter want to align with transnational capital and further privatize the enclaves of the mining industry still controlled by COMIBOL.

In early October 2006, tensions spilled over in a tin mine in Posokoni, near the community of Huanuni, in the department of Oruro. Cooperativistas attacked state-employed miners and two days of bloody battle ensued between the two groups, both armed with dynamite and other weapons. Between October 5 and 6, at least 17 people were killed and many more were injured. The government was widely criticized for not sending in the army to keep the peace.

In the wake of these events it came to light just how closely aligned the MAS government was with the cooperativistas. This is expressed most clearly by the fact that the Minister of Mines and Metallurgy, Walter Villarroel, was a former leader of the peak federation of the cooperativistas, and continued to be a registered member of a cooperative even as he was Minister of Mines.

In the wake of the 17 deaths, the government was forced to replace Villarroel and upped the ante in its rhetoric regarding its intentions for the mining industry. Morales again suggested that the industry would be nationalized. However, apart from the isolated case of the Empresa Metalúrgica Vinto tin smelter, nothing else has been nationalized.

Unfortunately, The Economist is probably correct when it argues, "In October [Morales] said it was the turn of mining [to be nationalized]. Yet with Mr. Morales, whose rallying cry is 'Bolivian resources for the Bolivian people', sometimes the symbolism and the rhetoric is more ambitious than the reality."<sup>(10)</sup> Indeed, the Economist Intelligence Unit recently reported on a predominant atmosphere of investor calm:

"In the face of the expropriation and its complexities, investors in Bolivia's mining sector are less perturbed than might have been expected. The sector is on the brink of a substantial privately led investment boom, thanks to firm prices for all of Bolivia's mineral products. Increased mine capacity produced a marked jump in mineral export earnings and volume growth in the first nine months of 2006. Firmer prices and output increases for the main minerals — zinc, gold, silver and tin — acted to raise the overall value of total mineral production by 92.9% year on year to US\$816.5m.... The government has quietly given assurances that whatever it may say in public it will not act against companies operating legally and in good faith. Foreign mining investors believe that mining code revisions to be announced by the government will be neither draconian nor confiscatory in terms of a higher tax burden and are therefore pressing ahead with their projects."<sup>(11)</sup>

The Morales government has also announced its intention of buying 51% of an Italian telecommunications multinational in order to reestablish ENTEL as a state company, but so far this is just that, an announcement. No definitive action has been taken.

While there is no space to comment on them here, there are similarly profound limitations to



MAS economic policy in terms of its commitment to central bank autonomy, fiscal austerity, a guaranteed miniscule rate of inflation, tight caps on the minimum wage and public sector salary increases, the limited parameters of agrarian reform, and so on and so forth. What all of this signals is a deep imprint of the old neoliberal model on the new moderately reformist, indigenous populist Morales government.

### **The Autonomist Right of the Media Luna**

Apart from the nationalization of natural gas, there was no demand more clearly articulated by the popular left-indigenous movements between 2000 and 2005 than the need to establish a revolutionary Constituent Assembly to fundamentally rebuild the foundations of the Bolivian state, economy and society in such a way that racism and capitalist exploitation would be challenged profoundly.

The MAS instead began its Constituent Assembly with election rules that guaranteed the capacity of the right-wing autonomist forces of the natural gas-rich media luna departments to veto any revolutionary or even deep reform content that the new constitution draft might have contained.

In seeking to appease the capitalist class of the media luna departments, the MAS underestimated the strength of the popular forces in January 2006 and the comparative weakness of the right-wing autonomists. However, because the MAS has sought with some success to contain the rank-and-file mobilizations of the Bolivian popular sectors, and because it has not challenged the underlying economic power of the capitalist class, the right has been gradually reconstituting its political strength.

The new boldness of the right is most vividly apparent in the fiasco that the Constituent Assembly has become. The right simply abstained from participation for the first six months of a process that was supposed to take a year in its entirety (August 2006 to August 2007), bringing the whole assembly to a grinding halt. To legitimize its boycott of the assembly process, the right accused the MAS government of authoritarian pretensions and held mass rallies at various times in the city of Santa Cruz calling for the autonomy of the media luna departments — meaning of course bourgeois control over the natural resource and agricultural wealth based in those departments.

While the leading peak organizations of the Santa Cruz right speak of “democracy” and the “rule of law,” they have much in common with the far right in Venezuela which seeks in fact to destabilize democracy and the rule of law in favor of the interests of a tiny elite. In Bolivia, the autonomist right includes in its social base the Unión Juvenil Cruceñista (Cruceño Youth Union, UJC), a group of violent, white, fascist youth who mobilize the racist sentiments of the upper classes of the media luna and frequently attack indigenous peasant and labour mobilizations in those departments with impunity.

The crisis over the Constituent Assembly grew to such proportions that the Argentine embassy in La Paz, worried about a possible flow of refugees to Buenos Aires in the event of civil war, commissioned a study on the probability of the conflict turning violent. The study argued that there was a 58% probability of civil war in Bolivia.

The International Crisis Group also published a report in January 2007 on the danger of rising conflicts in the country, while the U.S. Council on Foreign Relations commissioned a report on Bolivia’s increasing instability.<sup>(12)</sup> The report of the Council on Foreign Relations was adorned with a title seemingly indebted to the alliterative flourish of Fox News reporting on the terrible toll of toxic terrorism: Bolivia on the Brink!<sup>(13)</sup>

In January 2007, the Constituent Assembly conflict intensified when the right-wing government Prefect (governor) of the department of Cochabamba, Manfred Reyes Villa, called for a new referendum on autonomy so that his department could join the media luna autonomist forces. However, a referendum on that precise issue had been held just a few months earlier, and the population of Cochabamba had decisively squashed the idea of joining with the media luna bloc for departmental autonomies.

The MAS mobilized some of its rank and file in the cocalero movement and urban unions in Cochabamba to pressure Reyes Villa into renouncing his call for a new referendum. Roads in the department were blocked and mass vigils were held in the central plaza of the city of

Cochabamba. The rank and file quickly grew out of control of the MAS administration, however, as they confronted the arrogance of the far right Prefect and a serious intensification of the everyday racism of urban life in Cochabamba.

Street fights erupted between new fascist youth organizations, modeled on the UJC of Santa Cruz, and the popular sectors. Racist youth groups and upper-class bands of men attacked cocaleros and the urban indigenous poor while screaming racist epithets. The popular movements fought back vigorously and their demands grew to include the immediate resignation of Reyes Villa, something which MAS officials denounced as anti-democratic, calling for their social bases to retreat, lift road blockades, and end all violence.

The city was eventually pacified through military occupation after one person on each side of the conflict was killed in street clashes. A brief move by far left groups to form a parallel revolutionary departmental government in Cochabamba, led by and large by Trotskyist university students, failed to read accurately the balance of social forces. The parallel government died almost as soon as it was declared. The MAS had successfully pulled the cocaleros and urban unions out of the conflict by the time the parallel government was declared, and while there may have been a basis for such a radical measure at the height of the conflict, the attempt was made at the tail end of the mobilizations and confrontations when all such possibility had disappeared.

Traditional U.S. power in Bolivia has been eroded considerably by a combination of factors. For one, the U.S. state is currently suffering from imperial overreach in Iraq and Afghanistan. Even with domestic political-military elite and popular rejection of the war in Iraq, there is still no end to that war in sight, while Bush's eyes are seemingly still set on Iran. A further decline of U.S. power stems from the declining leverage of the World Bank and International Monetary Fund in Latin America and elsewhere.

## **U.S. Imperialism**

The United States exercised massive influence in Latin America in the 1980s and 1990s through its decisive role in both financial institutions.<sup>(14)</sup> The possibilities of anti-imperialist cooperation between Latin American states have generally improved with Cuba, Venezuela and Bolivia slowly pushing forward the Bolivarian Alternative for the Americas (ALBA).

ALBA is meant to act as a counter, and eventually an alternative, to the U.S. grand project of the Free Trade Area of the Americas (FTAA), and smaller projects of bilateral trade agreements, the Central American Free Trade Agreement (CAFTA), and the North American Free Trade Agreement (NAFTA). Tremendous obstacles remain with regard to building effective anti-imperialist cooperation, but a significant decline in U.S. imperial strength in the region is discernible.

In Bolivia, all these general factors have influenced the country's particular experience with U.S. imperialism. The fact that Venezuela has astronomical, if ultimately tenuous, revenue flow from oil has opened up an alternative line of credit for Bolivia. This has afforded the poorest country in South America unusual room for maneuver in terms of autonomous economic policy making, although as we have seen there has been minimal actual movement on this front.

The current price of natural gas and the metals commodities boom is presently boosting the Bolivian economy, which also provides the current administration with more space for designing better social policy. The declining importance of the United States as a Bolivian trading partner is critical, as well, in terms of decreasing Bolivia's vulnerability to the Empire's inclinations.

Nonetheless, the U.S. imperial project continues through multifaceted "democracy promotion" activities in Bolivia and by exercising its diminished but nonetheless real leverage in the old domains of the drug war, military bases and informal and formal military training and influence, aid provisions, conditional access to the U.S. market, and dominance in the international and regional financial institutions.

The above mentioned report solicited by the Council on Foreign Relations provides some further clues into the U.S. state's perception of the Morales administration. The general recommendation of the report is to adopt a policy similar to that taken by the United States



with respect to the MNR revolutionary government in the 1950s. The MNR was seen as potentially dangerous, but ultimately controllable through engagement, and perhaps even an effective means through which to co-opt and control the real danger of radical social movements and workers' challenges from below. Maintaining stability seems to be the reigning objective at the moment.

Eduardo Gamarra, the author of the report, writes, "As long as crisis persists, the United States will find it difficult to make progress on its traditional policy agenda. Indeed, should any of these tensions reach a boiling point, sparking widespread social unrest or violence, U.S. commercial, energy, security, and political interests in Bolivia and in the Andean rim subregion may be threatened."[\(15\)](#)

Besides, if one looks beyond Morales' rhetoric, Gamarra reassuringly contends there is less to worry about than one might think:

"These events suggest that Morales, despite the persona he has tried to cultivate, is in many ways a traditional Bolivian political actor who doles out patronage to major supporters while simultaneously condemning those who came before him for doing the same.[\(16\)](#) ... In fact, a World Bank official interviewed for this project claimed that his organization's relations with the Morales government are far better than with any recent previous government, despite Morales' repeated anti-World Bank rhetoric."[\(17\)](#)

Perhaps most astonishing, given that Morales rose to political prominence through his leadership in the anti-imperialist coca-growers' unions of the Chapare, Gamarra reports that the U.S. War on Drugs is relatively secure:

"Remarkably, the Morales administration has permitted U.S. Drug Enforcement Agency (DEA) officials to continue exercising significant control over interdiction efforts in Bolivia under its new policies, and U.S. diplomats have forged a successful, if somewhat tenuous, working relationship with their Bolivian counterparts. In September 2006, the State Department's Bureau of International Narcotics and Law Enforcement announced that the United States has established 'benchmarks' that Bolivia had to meet over the next six months in order to continue to receive U.S. counternarcotics assistance. By meeting its 2006 goal of eradicating 5,000 hectares of coca fields, one benchmark was met. Furthermore, U.S. authorities agreed that there has been a significant increase in interdiction efforts since Morales came to power."[\(18\)](#)

Gamarra ultimately recommends that Washington continue its "democracy promotion" tactics, revive military assistance, and court the regional powers of Argentina, Chile, and Brazil to pressure Bolivia to maintain stability in the mutual interests of imperialism and sub-imperialism.[\(19\)](#) Meanwhile, "... the Morales government must quickly find a formula to co-opt dissent, much of which now revolves around organized labour groups historically supportive of the MAS."[\(20\)](#)

## **Popular Struggle**

The first year and four months of the MAS administration has witnessed relatively little autonomous pressure from popular left-indigenous organizations seeking to push the MAS decisively to the left. The complicated coalition of groups that constitute the MAS have become increasingly concentrated around the Vice-President, García Linera, the most conservative of the leading personalities in the party. Actual policy initiatives and strategic economic planning documents issued by the government thus far closely conform to his vision of Andean Amazonian Capitalism.

Thus far, however, most popular organizations, especially rural indigenous ones, see the government of Evo Morales as their government. His indigenous origins in the largely Aymara altiplano, and then in the largely Quechua Chapare, provide him with impeccable cultural credentials in the eyes of large sections of the popular classes and oppressed indigenous nations.

It should be remembered that Morales is the first indigenous president in a republic where 62% of the population self-identified as indigenous in the last census of 2001. When the popular organizations have mobilized, therefore, it has generally been to defend the

government against the right-wing autonomist forces of the media luna.

The right has become bolder and is increasing its political capacities by the day. In Santa Cruz, right-wing forces are capable of mobilizing hundreds of thousands of people to demonstrations against the government and in favour of departmental autonomy.

The Morales government has taken an overwhelmingly conciliatory position in its negotiations with the bourgeois forces of the media luna departments, a strategic error in my view that has allowed for the slow rearticulation of right-wing political power to match their economic power. There is no telling what the outcome of elections will be if a new Constitution is eventually passed, and legislative and presidential elections are held in 2008, as the Morales administration apparently desires.

While many rural indigenous organizations seem to continue to back the government solidly, as do the armed forces, there are increasing expressions of organized discontent in the urban labor movement and social movement organizations, and in the mines. Such underlying tension led to the bloody results of the October 2006 mining conflict and the urban clashes in Cochabamba in January 2007.

In April 2007, the Bolivian Workers Central (COB) announced that it would be forming a new political party (or political instrument, *instrumento político*) of workers because the organization believes the MAS is not taking steps to defeat neoliberalism. The COB argues that the weaknesses of the government provides space for the growth of right-wing movements and parties such as PODEMOS, led by former President Jorge Quiroga.<sup>(21)</sup> It is far too early to tell what will become of this new *instrumento político*.

In May 2007, teachers and health care workers struck and protested in La Paz, and university students from the Public University of El Alto (UPEA) mobilized behind a series of demands.<sup>(22)</sup> The state-employed miners of the altiplano and their indigenous peasant allies in Oruro are likely to be an important catalyst to any independent class politics and struggle for socialism and indigenous emancipation outside of the MAS government. The events of October 2006 show that they are increasingly well-organized, even as the cooperativistas retain substantial influence on the government and an impressive capacity to mobilize their rank and file.

In El Alto, the center of popular insurrection in the massive protests of October 2003 and May-June 2005, the situation is mixed. The two principal popular organizations in 2003 and 2005 were the United Federation of Neighbourhood Councils of El Alto (FEJUVE-El Alto), and the Regional Workers Central of El Alto (COR-El Alto).

There has been insufficient investigation into rank-and-file sentiments within FEJUVE as of late, but it is clearer that the leadership at least has become closely integrated with the MAS government. FEJUVE is therefore incapable, at the moment, of representing an independent radical politics in El Alto, as it had done for much of the 2000 to 2005 period.

COR-El Alto's leadership was, until very recently, in a similar situation in terms of its relationship with the Evo Morales government. But on May 22, 2007 an important turn occurred within COR-El Alto at the organization's Sixth Congress. The workers approved as their political declaration a document called *Octubre señala el camino*, or October Shows the Road, referring to the October 2003 rebellion.

COR-El Alto is now calling for a socialist and communitarian society which will necessarily come about through a social revolution, substituting private capitalist property with social collective property. The declaration argues that the government's strategy of "democratic cultural revolution," or Andean Amazonian capitalism, will lead Bolivians to failure in the face of transnational corporations and the oligarchy.

*Octubre señala el camino* goes on to argue that El Alto will continue being the vanguard and general headquarters of the Bolivian Revolution of the 21st century, as it demonstrated in October 2003 and May-June 2005. The oppressed from El Alto, from this perspective, will lead the process of social liberation. The document argues that the so-called democratic cultural revolution of the MAS government will not allow for Bolivia's liberation from the tyranny of imperialism, nor the end of the exploitation of Bolivian workers. Instead it will ensure that the apparatus of the Bolivian state, its body of laws and democratic system, will continue to service capitalists and large landowners.

Reminiscent of the early 20th-century insights of revolutionary Rosa Luxemburg, one reporter summarizes the Octubre as saying, "To occupy the presidential office and to obtain a parliamentary majority does not serve the interests of the exploited in any way if the power of the bourgeoisie and the regime of big private property continue intact."<sup>(23)</sup> It calls for a struggle for political independence of the workers, peasants, and popular indigenous forces in the face of the state and the government.

Again, to what extent this rhetorical position will be played out in practice it is too soon to determine. Nonetheless, nascent stirrings to the left of the MAS government are visible, just as the autonomist right is accumulating power in the media luna departments.

## **2. After the elections: A new party for the Venezuelan revolution**

**Stuart Piper**

Jan. 2007 <http://www.internationalviewpoint.org/spip.php?article1188>

**Hugo Chavez had already been clear about his general intentions. As the size of his victory in the presidential elections became clear on the night of 3 December, he joined his supporters from the balcony of the Miraflores palace. Under torrential rain, he sang with them the national anthem and shouted 'Long live socialism!' The task now, he said was to deepen the socialist revolution in Venezuela. 'Nobody should be afraid of socialism. Socialism is humane, socialism is love... Venezuela is red, red right through.'**

A fortnight later, he spelt out the first big step in this direction - the formation of a united political party, to replace the dysfunctional coalition of party apparatuses that has supported him so far. And he said he already had a name in mind, the United Socialist Party of Venezuela, or PSUV. [<sup>1</sup>]

He was addressing representatives from the grass-roots campaigning bodies that had organised his election campaign in neighbourhoods across the country - 11,000 'battalions', 32,800 'platoons' and 3 million 850 thousand 'squadrons', according to his figures. These, he told them, should not allow themselves to be disbanded. Instead they should meet again, draw up a register of their members, and become the basis for this new united party of Venezuela's socialist revolution.

This is a move of huge importance. In principle, it is one revolutionaries inside and outside Venezuela should surely support. It has long been clear to many of the best Bolivarian militants that a gaping hole exists in the middle of their movement. Between the consistently inspiring leadership of Chavez himself and the explosion of local activity and self-organization among the mass of the Venezuelan people, there lies a dangerous absence of effective, national organisation.

The lack of strong, well-structured social movements has only begun to be remedied by new trade union or peasant organisations like the UNT or the Frente Campesino Ezequiel Zamora. (Venezuela never had anything equivalent to the landless movement in Brazil, the indigenous movement in Ecuador or the multitude of social and union movements in Bolivia.)

On the other hand, the so-called parties supporting the process - most gravely Chavez' own MVR, but also for the most part the PPT, Podemos, the Venezuelan Communist Party and several smaller organisations - have utterly failed to act as the democratic, collective organisers of political debate, decision-making and action. Instead they have largely functioned as bureaucratic (and sometimes corrupt) machines to organise the distribution of electoral offices, posts and favours (very much like the traditional parties of Venezuela's pre-Chavez Fourth Republic).

A truly effective, plural and democratic, mass political organisation for revolutionaries is therefore badly needed. Several of Chavez' closest advisers have been talking about this for at least the last two years. Several attempts have been made by smaller currents of Venezuelan

revolutionary socialists to bring together their own forces and open the way towards a mass revolutionary party. The launching of the PRS in July 2005, involving mostly trotskyist currents from the Moreno tradition, was one. The Frente de Fuerzas Socialistas, involving Utopia and the Socialist League, was another. But without the direct backing of Chavez himself, these were destined to remain minority initiatives.

Chavez' own comments on launching this initiative are also encouraging. His insistence that it must be the most democratic party Venezuela has ever seen, built from the bottom up, inviting all the currents of the Venezuelan left to join; his insistence that it must not be dominated by electoral concerns, nor by the existing leaders of the existing coalition parties, and his critique of the way the Bolshevik Party in Russia came to suffocate rather than stimulate a battle of ideas for socialism - he recalls how the marvellous slogan of "all power to the soviets" degenerated into a sad reality of "all power to the party" - all these point towards precisely the kind of mass, democratic, revolutionary, political organisation that is needed.

But there are also big risks. Not for the first time in the Bolivarian revolution, serious and necessary questions are being asked about how far the reality of this new party will live up to the expectations. These questions are of two kinds. Firstly, who exactly will be in this party, if, as seems is already underway, most of the main existing parties immediately dissolve into it? And will it really be able to break with the structures and culture of bureaucracy, paternalism, even corruption, that have too often acted as a break on the revolution's most radical initiatives (including, for example, workers' control and thorough-going local participatory democracy) ?

Even before Chavez' keynote speech, leaders of the PRS and the UNT like Stalin Perez Borges made clear their concerns about the way the new party was being prepared. He pointed to comments by some 'moderate' Chavista state governors and MVR dignitaries to the effect that "everything was already decided", and to negotiations behind closed doors between the main political machines on how to carve up the new party. Stalin Perez said that trade union and other social movement activists, political currents and intellectuals would be calling for a United Forum of Democratic Discussion where all the grass-roots forces in favour of deepening the revolution could discuss exactly what kind of party they want to build, and how.

The second kind of question overlaps with the first, and points to a paradox at the heart of the Bolivarian process. Chavez' own vision of the new party may be in the best and most radical, democratic mould. But the decision to move in that direction was taken, and announced, by him, and apparently by him alone. Now this may be the only way to break through the logjam of inertia imposed by the MVR and other party establishments. But does it put in jeopardy precisely the kind of radical socialist democracy that it aims to promote?

As the prominent left-wing Venezuelan intellectual Edgardo Lander - one of the main organisers of the 2006 World Social Forum in Caracas - has put it: "The form taken so far by this limited public debate is extremely worrying, especially if we assume that this may anticipate the form to be taken by the debate on Socialism in the 21st Century. ...What future can be expected, in terms of pluralism and democracy, for a party whose creation is announced by decree in this way? Is a democratic, plural, polemical debate on the future of the country possible, if some of the basic choices are announced as decisions that have already been taken before the debate has begun?"

### **3. Brazil: Four Years of Debate in the Fourth International**

**Jan Malewski, May 2007** (<http://www.internationalviewpoint.org/spip.php?article1262>)

**The Brazilian organization Socialist Democracy (DS), which took part from the very start in the building of the Workers' Party (PT) and was organised as a tendency within it, was from the 12th World Congress in 1985 an important component of the Fourth International. It took a large part in the political and theoretical development of our organization. However, since the constitution of the Lula government in January 2003, the political positions of the immense majority of the Fourth International and those of the National Coordination (leadership) of the DS have diverged, and increasingly so.**

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While considering from the start that there was at least "a doubt about the capacity of the new [ Lula ] government to fulfil its fundamental commitment, which consists of transforming the country in favour of the interests of the mass of the people" and stressing that "threats to the process of democratic discussion" [1] had appeared within the Workers' Party, the comrades of the DS judged that they could not refuse to take part in this government and that Miguel Rossetto should accept the post of Minister for Land Reform, all the more so as the Movement of the Landless (MST) and the agrarian sector of the CUT supported his nomination.

In February 2003, this orientation was discussed during the 15th World Congress. Many speakers insisted then on the dangers of such a choice for the DS itself, as on the one hand the economic guidelines announced by the Lula government left very few means for carrying out a land reform that corresponded to the needs of the Brazilian people, and on the other hand the integration of very many comrades into positions within the state institutions could not but exert a strong material pressure on the DS. But the argument that the left wing of the PT would not be understood and would risk being marginalised if it refused to enter a government that was formed following the victory of their candidate for the presidency and which "bore great hopes, which were clearly expressed during the celebrations when it took office" [2], was also taken into account.

The World Congress confined itself to this oral debate and had confidence in the Brazilian section. But at the end of this debate, as well as during the meetings of the executive of the International in which the leaders of the DS took part, there seemed to be agreement that, when the first confrontation arose between the government and sectors of the masses opposed to its policies, i.e. as soon as the rupture could be understood by even one sector of the masses, the governmental participation of the comrades of the DS would be called into question, because a real left tendency of the PT could only be opposed to political measures that went against the interests of the masses.

### **Heloísa Helena saves our honour**

That is, moreover, what Senator Heloísa Helena, member of the leadership of the DS and of the International Committee of the Fourth International, did from January 2003, by opposing the nomination as head of the Central Bank of Henrique Mireilles, former international president of the Bank of Boston, who was the candidate of the IMF and of international finance. That is what Heloísa Helena did again, in July 2003, by joining the demonstrators opposed to the counter-reform of pensions and by voting against this law in the Senate.

But whereas the attitude of Heloísa was approved by the majority of the leadership of the DS in January, in July, that is after six months of the government, that was no longer the case, some of the DS members of Parliament going so far as to vote in favour of the law on pensions... Within the Brazilian section of the Fourth International, a division, which was to become ever greater, appeared. Whereas the comrades of the DS had analyzed the Lula government as being "in conflict" between the interests of the workers and those of the bourgeoisie, it clearly appeared after six months that this conflict did not divide the government, but on the other hand was starting to divide the Brazilian section.

In December 2003 the national leadership of the Workers' Party took the decision to expel from the party Heloísa Helena and other members of Parliament who had voted against the law on pensions. Socialist Democracy was opposed to this internal trial, and was supported in that by the whole of the International. However, we were extremely surprised when, after the expulsion of Heloísa, and when she announced the need for a new party to defend the workers, for "a socialist rebuilding of the PT" [3], the majority of DS informed her in January 2004 that she could no longer claim to belong to... "an internal tendency within the Workers' Party", in other words that she was no longer a member of Socialist Democracy! On the other



hand, Miguel Rossetto, although he did not have the means of carrying out the announced land reform, remained a minister and a leading member of the DS. And this despite the fact that the 7th National Conference of DS in November 2003 had adopted a resolution stipulating that: "the first eight months of the Lula government have been marked by the building of a set of alliances including broad bourgeois sectors, by a thoroughly conservative economic policy and moreover by limited progress in promoting change" [4] .

In February 2004, the International Committee of the Fourth International discussed the Brazilian situation at the end of the first year of the Lula government - characterized in the international report as "having confirmed the continuity of the commitments of the Brazilian state to the IMF" and "even being considered as one of its best pupils" [5] - and after the repression of the opponents within the PT. Comrades Joaquim Soriano (representing the majority of the direction of the DS) and Heloísa Helena took part in this meeting, which quite naturally confirmed the status as members of International of the comrades who had been expelled from the PT by its bureaucratic and right-wing leadership and of those who had followed them out of solidarity.

However the leading body of the Fourth International refrained from voting on an orientation for Brazil, considering that that was the task of the Brazilian comrades, even though during the oral debate the idea that predominated was that it had for several months become essential to assert the distance of the Brazilian Left from the policies of the Lula government, and thus to no longer take part in this government. A written discussion on the political situation in Brazil was opened within the International and throughout the next year documents amounting to several hundred thousand characters, translated into four languages - English, Spanish, French and, exceptionally, so that all the Brazilian members take part in the debate, Portuguese - were placed at the disposal of the sections.

In January 2005, before the Social Forum in Porto Alegre [6] three of the leaders of the Fourth International who had been, since the creation of Socialist Democracy, engaged in its policy debates - Daniel Bensaïd, Francisco Louça and Michael Löwy - addressed a letter to the members of Socialist Democracy [7] In it they analyzed the evolution of the PT, noted that the bureaucratic measures taken illustrated the transformation of the party into a conveyor belt for transmitting governmental decisions to society and that the constitution of the Party of Socialism and Freedom (PSoL) should be considered as an "act of self-defence". They suggested organising the left of the PT around a clear alternative programme, that those who wished to should contribute to building the PSoL, and especially that a dialogue should be established between the Left within the PT and the small independent forces like the PSoL. Finally, they insisted: "the electoral calendar will oblige us to make, as from 2006, clear choices", 2006 being an electoral year.

### **In contradiction with our principles**

In February 2005, the members of the majority of the direction of the DS did not take part in the meeting of the International Committee, for the first time since the DS was recognized as a section (whereas the comrades of the minority of the DS had for their part come to the meeting). In spite of this absence, the IC continued the discussion on the Brazilian situation, adopted the general line of the letter addressed to the members of the DS by the three above-mentioned comrades, and adopted a resolution.

It affirmed: "Since the formation of the Lula government there have been in the International reservations, doubts and disagreements concerning the participation of the Socialist Democracy tendency in the government and the modalities of this participation (...). Nevertheless, once the decision had been taken by the DS, and taking account of the arguments put forward by the majority of the Brazilian comrades, the International had decided, at the beginning of the process, not to adopt a resolution and to accompany the experience (...). The International thus avoided posing the question of participation in the Lula government in dogmatic terms, without taking account of the characteristics of the country, of the history of the Workers' Party and of its links with the social and trade-union movements. After the experience of these last two years (...) there is no longer any doubt that occupying positions in the Lula government, either at ministerial level, or through other politically responsible functions, is contradictory with the building of an alternative in Brazil that is coherent with our programmatic positions" [8] .

Concerning the divisions that had emerged within the DS, the IC took a position "for the maintenance of relations with all the components of the Fourth International in Brazil - all of these components remaining members of the International, with full rights - with the objective of encouraging dialogue, relations and the unity of action of all these components, with the perspective of building a political alternative to the Lula government " [9]. After a period of silence, the majority of DS reacted in December 2005, by publishing on the web site Inprecor, publicación de la IV Internacional para América Latina y el Caribe [10] a polemic by Joaquim Soriano [11] along with an article by François Sabado [12] on the evolution of the Brazilian Left, accusing the majority of the International of " 'bad internationalism', infested with the vices of the 20th century".

In February 2006 the International Committee once again held its meeting in the absence of those of its members who were part of the leadership of the DS, whereas the comrades who were taking part in building the PSoL were present. A discussion led to the adoption (by 25 votes against 2) of a resolution "On the political situation in Brazil and the division of our forces" [13]. This resolution reiterated that the Lula government "is indeed a social-liberal government " and that its policies "contrary to the interests of the masses, have been accompanied, over the last year, by revelations about political methods and corrupt practices which are in no way different from those of traditional bourgeois governments". It noted that "the major part of the left of the PT, including the comrades of the DS-PT, did not defend, at the time of the last internal elections in the party, a policy of rupture with this government" and that the DS "is continuing to be active in this party, by confirming its participation in the government and by reinforcing its integration into the leadership of the party - a leading member of the DS occupying the post of general secretary of the PT".

### **Support for Heloísa Helena, not for Lula**

After having indicated a year earlier than "the year 2006 will oblige us to make clear choices", the IC noted that "the candidacy of Lula for the presidency represents the reaffirmation of his social-liberal policies" whereas the candidacy of our comrade Heloísa Helena, presented by the PSoL, "can make it possible for millions of Brazilians to express their readiness to resist the attacks of liberal capitalism and to change things", to "to rally a radical Left, an anti-capitalist Left" and "to take up again the programme and the original fundamental values of the PT, which have since been abandoned by the Lula leadership". The leadership of the International thus clearly chose its camp, on the side of the PSoL.

However, "to encourage the pursuit of the discussion and the possibilities of convergence of all the anti-capitalist sectors " the International Committee reaffirmed "the maintenance of relations with all the components of the Fourth International in Brazil, all its components continuing to be members, with full rights, of the International". Within this framework, it mandated the Bureau to continue the discussion with the comrades of the DS.

Meeting in March 2006, the National Coordination of Socialist Democracy adopted for its part a resolution entitled "An internationalist policy for the 21st century", which reiterated the argumentation of the article by Joaquim Soriano and refrained from any in-depth discussion on Brazil. This document considered that "on the initiative of the leading bodies of the Fourth International, a trajectory of common work and mutual respect was thus interrupted", which could be interpreted as a rupture with the Fourth International, even though the resolution stated in addition that "the DS will continue its internationalist work with those sectors of the Fourth International with which it already has relations of mutual collaboration". Since for more than twenty years the DS had had a relation of mutual collaboration with the whole of the Fourth International, all of its "sectors" - which we call "national sections" - have the right to feel concerned.

The executive of the International decided to let time pass – since the election campaign in Brazil did not constitute a favourable moment for a relaxed discussion on internationalism, and since other more important tasks took up our forces. A reply to the document of the National Coordination of the DS was addressed to it at the beginning of 2007, in preparation for the meeting of the International Committee in February, which was to discuss, among other things, this subject. The members of the CI from the leadership of the DS once again did not consider it useful to take part in this debate. We hope, however, that among the hundreds of comrades of the DS who have not yet joined the PSoL and who want to build a left within the

PT, there are many who do not want to break with the International, of whose discussions they have not been informed by the present leadership of the DS. It is above all to them that the answer published here is addressed.

#### 4. Resistance and Revolution in Latin America

Phil Hearse

**On no continent is neoliberalism so widely rejected as in Latin America, and nowhere has the resurgence of the Left been so powerful. The election of Evo Morales in Bolivia and the evolution of the Hugo Chávez government in Venezuela are hugely ideologically important. Whatever the direction and eventual outcome of these governments, they have already done an enormously important thing - given an arithmetic content to the algebraic formula that 'another world is possible'; the only possible one, socialism.**

Even the election of moderate centre-left governments, like those of Lula in Brazil, Bachelet in Chile and Tabaré Vázquez in Uruguay are the product of a long period of struggle against neoliberalism and the right.

The huge Latin American panorama of struggle has given rise to new debates about revolutionary strategy - debates which the left has not been used to having for some time. How can this enormous generation of struggle, the rejection of neoliberalism and the rise of the Left be consolidated into permanent socialist gains, the power of the popular masses and the defeat of capitalism?

Continent wide tactics are useless and Latin American societies are enormously diverse. There is no "one strategy fits all" solution. However there are common elements in the development of these societies and certain common elements in revolutionary strategy as well.

There are a number of crucial questions, the answers to which will act as crucial guidelines for a revolutionary alternative. They include:

- 1) What is the nature of these societies and their relationship with imperialism?
- 2) What is the nature of the ruling class?
- 3) What is the character of the 'revolutionary subject'? What is the (potential) alliance of popular forces which might be mobilised into an alliance to make a revolutionary breakthrough?
- 4) What are the key steps needed to make an anti-capitalist transition and a break with the capitalist state and imperialism?

Each of the countries of Latin America is oppressed by imperialism. Semi-industrialisation in Brazil and Argentina means that the countries can no longer be considered as having all the classic characteristics of semi-colonies, ie being providers solely of raw materials and consumers of manufactures from the imperialist centres.

Nonetheless, none of them, not even a giant economy like Brazil, is an autonomous centre for the accumulation of finance capital at the same level as the imperialist countries or a centre for multinational corporations which bestride and exploit the world.

The proof of the pudding was the debt crisis; in the worst years of the crisis in the 1980s and 1990s, a huge tribute of capital flowed out of the exploited countries towards the imperialist centres. Brazil and Argentina were of course in the former category, with a decade of economic progress destroyed in the 1980s by the debt crisis.

If all the countries of Latin America are dominated by imperialism, then they have a super-rich ruling class which is hand-in-hand with the imperialist bourgeoisie. This has created some of the most unequal societies on earth; in Mexico and Brazil the rich are rich by international standards and the poor are poor by the same standards.

The idea that there can be any kind of "anti-imperialist alliance" with any sector of the bourgeoisie whatever is tremendously far-fetched. At best there can be alliances around democratic objectives and only conjunctural national interests.

In his theory of permanent revolution Trotsky proposed that the working class had to lead the struggle for the national and democratic tasks of the revolution, that is to say unfulfilled tasks of the bourgeois revolution. Trotsky differed with the Stalinists in seeing the national democratic revolution as a phase of an uninterrupted ('permanent') revolutionary process, which would be carried out by an alliance of the working class and the peasantry, under the political leadership of the working class itself. There would be no Chinese wall between the national and democratic tasks and the socialist tasks, and the whole process would require the dictatorship of the working class (and the peasantry).

Insofar as we need to modify Trotsky's theory, which after all was elaborated mainly between 1905 and 1928, it can only be in the direction of stressing the interaction and inter-relatedness of the national democratic tasks and the socialist tasks. To put it another way, to achieve real democracy and real national independence requires a complete break with imperialism and the oligarchy.

For example, for Bolivia to achieve real national independence means taking control of its own resources, ie the gas, the oil and of course the water. That means inroads into the rights of private property, in other words tasks of the socialist revolution. Equally, radical democracy at a national level cannot be achieved other than by breaking the grip of the oligarchy who ensure their control of the political process by corruption and violence. Democratic questions are directly interlinked with the issue of working class power.

The same considerations directly relate to the land struggle. The advent of (often US-controlled) agribusiness swivels the enemy from being simply local landlords, a subsector of the domestic bourgeoisie, to directly a struggle against transnational capitalist corporations. The fight against imperialism is one and the same as the struggle against the local oligarchy.

### **Revolutionary subject**

The enormous growth of the cities, the development of agribusiness and semi-industrialisation in the major countries has significantly changed the revolutionary subject. This is summed up in the governmental slogan of nearly all of the Mexican militant left - "un gobierno obrero, campesino, indigena y popular"; a workers, peasants, indigenous and popular government. This crystallises what we can expect a revolutionary alliance in most of Latin America to be like.

Since the formulation of the "workers and peasants government" formula in the 1920s, the growth of the informal sector in the cities, the barrio or favela dwellers, has been dramatic. Most of the urban poor are not regularly employed, but get by through street trading, small businesses, crime etc. The urban poor are a vital part of the base of the Bolivarian movement in Venezuela and of course of the mass movement which eventually brought Evo Morales and the MAS to power in Bolivia. The key demands of these people revolve around the basic questions of the provision of the basics of life - clean water, proper housing, sanitation, education and of course freedom from the violence and paternalistic manipulation by the state - ie democracy.

A new and positive feature of the Latin American movement has been the emergence of indigenous movements, the most well-known example being the Zapatistas in Mexico and sections of the movement in Bolivia. However there is a difference between the indigenous movement in those two countries. Subcomandante Marcos and the Zapatistas pose the solution to the demands of the indigenous people as being part of a transformation of Mexico nationwide, which Marcos tends to pose as "democratisation" (not socialism).

Felipe Quispe ("El Mallku"), key leader of the indigenous people of El Alto in Bolivia, tends to project an Andean indigenous federation which might involve succession from existing Latin American countries. In Quispe's case, this idea sits in contradictory unity with his ideas about working class power in Bolivia.

One central feature cannot be avoided by the Latin American left - machismo and its opposite, women's liberation. While the leaders of the social movements in the barrios are disproportionately women, the violence against and super-exploitation of women on the most machismo of continents is incredible; from the daily subjugation of women as the most exploited workers in an often suffocating paternalistic family to the ghastly mass murder of women in Guatemala. A more stable integration of women's liberation into the strategy of the

Latin American left would unleash tremendous new forces and energies into the struggle.

### **The Question of Power**

For the Left, the decisive issue is how to integrate all these questions - of democracy, land reform, the destruction of the oligarchy, an end to economic robbery of the elite and imperialism, the basics of life for the urban poor and liberation for indigenous people and women - into a coherent overarching strategy for the popular masses to conquer power. The 'centre-left' - forces like the PT in Brazil, the Frente Amplio in Uruguay and the PRD of Manuel Lopez Obrador in Mexico - do not of course agree with this way of posing the question. For them it is about getting more justice within the system, and we have seen what this means in Uruguay and Brazil - abject capitulation to neoliberalism.

This poses a first question and problem - that of class independence, creating political parties of the popular masses, led politically by the working class, independent of bourgeois nationalist and populist forces. Building a broad class struggle party on a national basis is a task which Subcommandante Marcos and the Zapatistas have avoided confronting. However, the 'Other Campaign' - a bold and audacious attempt to move out of their Chiapas mountain redoubts and unify the Mexican social movements indicates a renewed strategic thinking which - objectively - points in the direction of a new 'party' of the oppressed. How far this will go has yet to be seen.

The need for a strategy of conquering power, linked to that of class independence, is shown by the events between 2001 and 2004 in Argentina. Here a mass uprising overthrew the de la Rúa government in December 2001, unleashing a political crisis which saw huge sections of the poor and the middle classes mobilised in self-organised action committees and picaderos for more than a year.

But eventually this pre-revolutionary movement just petered out, precisely because there was no mass militant socialist party, capable of melding the rebellious forces in a coherent revolutionary national direction. As [James Petras' excellent dissection of the Argentinian debacle](#) points out:

"What clearly was lacking was a unified political organization (party, movement or combination of both) with roots in the popular neighborhoods which was capable of creating representative organs to promote class-consciousness and point toward taking state power. As massive and sustained as was the initial rebellious period (December 2001-July 2002) no such political party or movement emerged - instead a multiplicity of localized groups with different agendas soon fell to quarreling over an elusive "hegemony" - driving millions of possible supporters toward local face-to-face groups devoid of any political perspective."

The events in Argentina show the bankruptcy of the theory of refusing to take state power, an idea put forward by Subcommandante Marcos (and rendered more profound by the academic Jon Holloway [1]). Refusing to challenge the bourgeoisie and the right wing for state power is linked to the refusal to build a workers political party. It leads, at best, to 'movementism from below', a continual opposition and protest, but with no idea of how to establish a global alternative and how to break the right, the oligarchy and their grip on state power.

How does the idea of the popular masses taking state power shape up to developments in Venezuela and Bolivia? In Venezuela the bourgeoisie have lost, or partially lost, control of the government but are still the economically ruling class - linked parasitically to the nationalised oil industry.

On the other hand, there is a tremendous development of popular self-organisation from below in the barrios and in the countryside; in addition substantial social progress has been made through the social 'missions', funded by oil revenues. However the poor remain legion in Venezuela and the solution to their problems will not be found outside of a radical redistribution of wealth, which means breaking the power and wealth of the oligarchy.

But in the context of a tremendous political polarisation in which the whole of the bourgeoisie and a big majority of the middle classes are against Chávez, this unstable equilibrium between the bourgeoisie and the masses, mediated by Chávez, cannot continue for ever. Sooner or later there will be a gigantic confrontation and the Bolivarian movement and the Chávez, leadership will have to make a choice. Depending on the loyalty of key army officers is useless.



With the threats of the right and imperialism the consolidation of popular committees into a national network of popular power is crucial. This must involve the arming of the popular sectors and the building of a popular militia.

There are important signs that polarisation is deepening rapidly. In Merida right-wing students have organised prolonged riots. The recent national congress of the progressive union federation, the UNT, split between left and right and did not conclude its business or elect a new leadership. These are straws in the wind and it would be stupid to ignore the gathering storm clouds. Imperialism and the bourgeoisie want Chávez out, and there is now a race between revolution and counter-revolution.

In Bolivia Evo Morales has moved decisively to clip the wings of the multinational corporations by nationalising the oil and gas. But this does not amount to expropriation, but in effect a significant hike in the taxes Bolivia charges the corporations. Even so his move is massively unpopular with imperialism and the right.

The exact direction in which the Morales government will go is unknown. In the medium term, Morales and his team will have to make their choice - between the oligarchy and imperialism on the one hand and the self-organised masses on the other. The example of Lula and the fate of the Brazilian PT is eloquent. If you try to avoid the question of power, you will end up either defeated or capitulating.

## **5. Notes on the situation in Latin America**

### **A continent veers left – February 2006**

**Francois Sabado, <http://www.internationalviewpoint.org/spip.php?article967>**

**a) Latin America has veered left. The combined outcome of a rejection of liberalism and mass movement resistance - some forms of which have opened onto pre-revolutionary situations in recent years, as in Venezuela, Argentina, Ecuador and Bolivia - the traditional right has undergone a series of electoral defeats. The next will most likely be the Mexican, Peruvian and Nicaraguan rights. Colombia is the only major country where the reactionary right will in all likelihood continue to govern, with paramilitary support.**

b) This situation is provoking new inter-capitalist contradictions, in particular new tensions with US imperialism. There is an option of "confrontation", which remains the choice of the Bush administration, of the reactionary right of most countries, and which can even take the path of military interventions, in particular around Plan Colombia, a country where "US military advisers" are already present. But, at the present juncture, the US presence in Latin America is weakened by US strategic involvement in Iraq, in the Middle East and in Central Asia. Despite the US military power, it is proving hard to occupy Iraq through military means ... along with another country, in Latin America!

c) There is a "second choice" for the ruling classes; reorganizing their system of class rule by using the new left governments that follow the path of liberalism or social-liberalism. This is the case in Brazil, Argentina, Uruguay, Paraguay, Chile and Ecuador. Relying on the interests of an agro-exporting bourgeoisie with its own policies as we have seen in the case of Brazil at the WTO, seeking to use its strengths to reorganize resource markets - petroleum, gas, water - with a more integrated Latin American policy, benefiting from the high rate of growth between and 9% in recent years, and defusing the subversive charge of social movements with the help of the Brazilian PT, neo-Peronism in Argentina, the Frente Amplio in Uruguay, these new governments have achieved a degree of "stabilization" of the social and political situation. The most significant example is Kirchner in Argentina.

These governments do not succeed in resolving the main contradictions of capitalism: the liberal counter-reform continues, social inequalities are growing and there have been no noteworthy changes in the situation of the popular masses. Moreover, in the framework of capitalist globalization, these governments have not succeeded in carrying out policies of autonomy with respect to imperialism in the middle or long term, in the vein of those implemented by Cardenas in Mexico or Perón in Argentina.

Nevertheless, while respecting financial market, IMF and World Bank dictates, and attempting

to implement regional policies as in the case of Mercosur, these governments are trying to conquer new positions for the benefit of local ruling classes.

d) The "confrontation" and the "social-liberal option" both run up against a major impediment, the reality of social movements that can resurface in particular forms at any moment: trade unions and piqueteros in Argentina, landless movements in Brazil and Brazilian trade unionism that can wake up despite CUT leadership policies, Indigenous peoples and their organizations in Ecuador.

But the two main obstacles to stabilization on the continent are the "Bolivarian revolution" and the Bolivian situation. Beyond State diplomacy and the need to bring all countries of the continent into a Latin American integration project such as ALBA, there are indeed two positions debated within the Latin American left: the social-liberalism represented by Lula and Kirchner and the Chávez Bolivarian process. Whether via a policy of confronting US imperialism, or the application of a series of social and democratic measures: health, education, plan against hunger, occupation of certain firms and lands, housing policy, co-operatives, and especially a high degree of mobilization and polarization of millions of Venezuelans, the Venezuelan situation is the hot spot on the continent.

All of this effervescence is now stimulated by the debate launched by Chávez on socialism in the 21st century. Those are the positive aspects. However, there are a series of problems in the Bolivarian process, first of all tied to the "bonapartist" features of Chávez's power: the concentration of power, the direct relations between Chávez and the people, the absence of real parties: these are often merely electoral apparatuses, the calls to mass mobilization and organization are often thwarted by the limits imposed on mass democracy and self-organization by those in power.

For example, the progress achieved in terms of self-management of the PVDISA - the national petroleum corporation - after the petroleum management strike - had no follow-up. On the contrary, the technocrats have returned. The political representatives of the Cuban CP are playing a negative role in terms of everything relating to the development of democracy, control and co-management. If bold objectives have been achieved in the struggle to meet the people's basic needs in terms of health, education and food - policies funded by petroleum revenue - the socio-economic structure of Venezuelan capitalism has not been substantially transformed or overstepped.

The two coming years will be decisive to the revolutionary process in Venezuela. Chávez is in the habit of quoting Trotsky, explaining, "Every revolution needs the whip of the counter-revolution." The Bolivarian revolutionary process was indeed marked by reactions to the right-wing counterrevolution and US imperialism, which radicalized the process each time.

Nobody doubts that if there is another confrontation and new provocations by the "putschist right", that this will mean further radicalization. But the right and the Bush administration can also draw the lessons from their failed coups and, on the one hand, seek to delegitimize the Chávez regime by refusing to take part in the upcoming presidential elections late in 2006, while seeking to mire down the process by blocking all socio-economic progress. In that case, Chávez, and all protagonists in the Bolivarian process must find forces to deepen the process, in terms of mass democracy and socio-economic content. And for that, income from the petroleum windfall may not be enough. It calls for new political choices.

e) But one of the dimensions of the scenario is international. It will play out in Venezuela. Many commentators depict Evo Morales as "between Lula and Chávez". In fact, although the Bolivian vice-president has made statements on "the need for a plan for Andean capitalism", Evo Morales' initial measures put him closer to Chávez: booting out the old Army staff, put out to pasture, a self-imposed 57% cut in the presidential salary, which should entail similar cuts for all high-level government officials, negotiations with one of the landless movements and land reform.

We can even say that relations have been inversed between Venezuela and Bolivia, in terms of the leadership of the process and the masses. In Venezuela, although Chávez is the product of an entire historical process, his political weight stimulated and also limits spaces for the mass movement.

In Bolivia, the mass movement has heretofore determined the course taken by Morales, such

as his position on calling a Constituent Assembly and nationalizing hydrocarbon resources is the direct outcome of mass movement demands. Will he respect his commitments? In any event, in this country, we find one of the apexes of social and political revolt in Latin America. The coming weeks and months will tell the story. The situation is open, but mass movement pressure is such, in the political, administrative and institutional chaos in Bolivia, that alongside Venezuela, one of the keys to the Latin American situation can be found in this country.

f) From an international viewpoint, this means there is a series of issues at stake, with a dual polarization: between US imperialism, the traditional rights and on the other side, the peoples and anti-imperialist governments: Cuba, Venezuela and Bolivia and a second, more subtle polarization between social-liberal governments - Brazil, Argentina, Uruguay, Paraguay, Chile, Ecuador - and the aforementioned anti-imperialist governments. Lula and Kirchner are on the offensive to put rightwards pressure on Chávez and Morales.

There is also a fight between Lula, Kirchner and Chávez, to "win over" Morales. The Latin American left is currently going through this choice of going along with liberal counter-reform or breaking with imperialism: Lula or Chávez? All of this will depend on US policies of confrontation and the dynamics of the mass movement vs. those of the ruling classes, defending their own interests in these countries.

g) This situation has several consequences in political and programmatic terms:

□ Put it, along the struggle against the war in Iraq, at the centre of our solidarity actions, develop an international solidarity campaign with the Bolivarian process in Venezuela: Venezuela collectives, solidarity meetings, sending aid and solidarity brigades. The International and FI organizations must be at the forefront of this campaign.

□ In programmatic terms, combine a program of social and democratic demands backed by the demand for national and popular sovereignty over natural resources, lands and wealth of each country, linked to land reform, of course. The needs for public appropriation, and nationalization of hydrocarbon resources must also be at the heart of social and political demands in these countries. The question of democracy is also central, whether it is getting rid of corrupt politicians - this is the meaning of demands such as the constituent assembly - or to deepen processes of social appropriation - demands for control, co-management and management of firms are a priority, as in Venezuela or Bolivia.

□ Finally, there is a notable chance linked to the tilt in the social and political situation, the opening of a debate on socialism in Venezuela but also throughout the continent, launched by Chávez.

Despite the limits dictated by the country's place in the world and in Latin America, the Bolivarian experience makes it possible to resume discussion of socialism. This debate is taking place in all organizations today, and it is only beginning. Of course there are all sorts of socialism, but in an ideological environment which had been first marked by themes such as "liberal democracy as the end of history" in the early 1990s, the themes of anti-liberalism in 1990 and the early 2000s, the way Chávez is positing the problem of socialism vs. liberalism and capitalism bear witness to a deepening development of consciousness among sectors of the Latin American social and political vanguard, and above all the repercussions of a series of strategic questions.

This is a significant fulcrum against social liberalism in the left. It posits the satisfaction of popular demands as a central question in a strategy of opposition of liberal capitalism and not taking part in counter-reform.

It enables progress on co-operative experiences linked to a dynamics of control, and in acute crisis situation or pre-revolutionary situations, to move forward on this theme of control linked to co-management between workers and public authorities. It posits the need for another logic, another system, centred on social needs and another form of property - public and social appropriation - as a central question.

## **6. URUGUAY: Progresismo and the neoliberal matrix**

### **Ernesto Herrera, September 2005**

The leftwing coalition Encuentro Progresista - Frente Amplio - Nueva Mayoria triumphed at the Uruguayan elections of October 31, 2004, with Tabaré Vázquez of the Socialist Party being elected president in the first round with 51% of the vote (see IV 363, January 2005). The new president assumed office in March 2005 - Ernesto Herrera examines the record so far of his "progresista" government.

To accuse Uruguay's "Progresista" government of "treason" would be an exaggeration. It never proposed an anti-neoliberal rupture, nor did it ever advocate "populism". On the contrary, it opposed any proposal of radical dismantling of neoliberal counter-reforms.

It emphatically denounced the "demagoguery" of "easy promises" so as to deflate the "inflation of expectations" and bring popular expectations back down to earth. At best, "progresismo" promised a road of "possible change" while offering all kinds of guarantees of continuity to capitalist forms of production, profit and rule. As the promise has been made, it now has to be fulfilled.

### **The neoliberal matrix**

The economic course has been defined, both in content and format. There is, for now, no "dispute" in terms of an alternative program. Although some grumbling has begun to be heard from the minister of Ranching, Agriculture and Fishing, Jose Mujica (of the former guerrilla movement the Tupamaros). The tensions originate in the refinancing of the debts of "agricultural producers", the credit that the Bank of the Republic should grant for production, and the so-called "exchange arrears" that affect the "competitiveness" of exporters.

Economic policy shows the crudest continuity, with not a centimetre separating it from the neoliberal matrix established by the governments of the right. If anyone doubted it, the President himself has dispelled them.

On May 5, before an audience of 500 big employers, bankers and investor-speculators, meeting in Buenos Aires for the Inter-American Council of Trade and Production, Tabaré Vázquez defended the "free market", offered a basket of opportunities for "associating with state companies" and again stated that in Uruguay "there is no discrimination between national and foreign investment... because public investment is limited". Moreover, he insisted on the "free repatriation of utilities... respect for banking secrecy" and guaranteed that the foreign debt would be "honoured punctually".

In spite of all the protests from social movements, intellectuals, left parties and environmentalist networks, the government approved the Ence-Eufores (Spanish transnational) and Botnia (Finnish transnational) cellulose plants; it agreed together with Lula to welcome AmBev, a brewing transnational denounced internationally for its policy of union repression; and it promoted the coming of Movil, a US cell phone transnational, whose owners include the Mexican multimillionaire Carlos Slim Helu, the boss of Televisa. All these companies will benefit either from the Ley Forestal or from the Law on Investment, that is, from tax breaks, subsidies (as much as 50% of costs under the Ley Forestal) and special credit facilities.

As the margin for public investment is "limited", Public-Private Associations between capitalist investors and state companies are contemplated. Such is the case with ANCAP (the state owned oil company). Oblivious to the popular uprising in the anti-privatization referendum of December 2003, the president of the directorate, Daniel Martinez (Socialist Party), said that the company operates "under the norms of private law" and that he disagreed with the irremovability which employees enjoy by constitutional mandate. [1]

The right applauds him: "That an ex-union leader who has become president of a public company promotes the idea that this company is governed according to the norms of private law and that an end is put to labour irremovability shows an exemplary sense of responsibility

in the structure of the state". [2]

For the moment, the plans for "association" are not far advanced except for an agreement with the Venezuelan PDVSA for the purchase of a million petroleum barrels and in the possibility of investment to extend and modernize the refinery.

The government's commitment to capitalist investors is clear on the question of water. The constitutional law voted for by 64.7% of the electorate in the plebiscite of October 31, 2004, which establishes an obligation that this service is provided solely by public bodies is not going to be respected integrally. A decree by the government (May 20, 2005) signed by Tabaré Vázquez and all his ministers, establishes that private companies: "will continue providing these benefits until the completion of the term originally agreed".

The National Commission in Defence of Water and Life, promoter of the plebiscite, has already presented a legal challenge to the decree, called a petition campaign and organized a protest march of several hundred kilometres length.

It is not by chance then, that the signature of the Treaty of Promotion and Mutual Protection of Investments with the United States has raised so much dust. [3] Tabaré Vázquez and his economic team favour signing it. Other sectors of the Frente Amplio in the government and among the parliamentary deputies criticize it, especially the Movement of Popular Participation, the Socialist Party and the Communist Party.

The March 26 Movement [4]. and some Base Committees reject ratification and propose to discuss it in a National Plenary which has just been delayed.

But, surely, sooner or later the Treaty will be ratified. Jose Mujica has already said that he will vote for it, although he does not like it, because it will win markets: "If I have to eat rotten bread I will eat it, but don't expect me to say the bread is rich." [5]

## **Certified Programme**

On June 8, in Washington, the IMF approved a new Letter of Intent with the government of Tabaré Vázquez. A day later, the World Bank approved it. The economic program of progresismo obtained the certification of the employers. Meanwhile, the "productive country" and the "redistribution of wealth" will have to wait for better times.

The minister of Economy and Finance, Danilo Astori, has already said: "Without an agreement with the IMF today there is no change... most of the investment is going to be private and from abroad... for that reason whether or not Uruguayans will have work is going to depend on an agreement with the Fund". [6] And the agreement was made, but without the exemption expected by some government functionaries and economists sympathetic to progresismo.

The Letter of Intent (which covers the period June 2005-June 2008) is unambiguous. Among other conditions, the chronogram indicates the IMF's priority demands: macroeconomic stability, priority for private investment, freezing of "costs" (i.e. social investment), the "modernization" of public companies to make them "competitive" in the services market, and the "adjustment of public tariffs" to ensure a budget surplus. [7] And "the reform of the Central Bank to increase its autonomy," or what amounts to the same thing, the creation of a sort of "liberated territory" so that the private banks are placed beyond the control of the national government.

The government is subject to a "primary fiscal surplus" of 3.5% (2005), 3.7% (2006) and 4% (2007), which means ensuring a surplus from the national budget to pay interest on the foreign debt and to fulfil the "obligations assumed by the country". In other words, to continue with the transfer of income and national wealth to the "international creditors".

As for the foreign debt, the drain of resources will continue, jeopardizing present and future sovereignty. At the end of 2004, the national debt was US\$13,335 million, or equivalent to almost 100% of GDP. 42% of this debt is with the IMF, the World Bank and the Interamerican Development Bank. The schedule of payments (interest and amortization) will consume US\$2,000 million in the first years of government (20 times more than the sum devoted to the social emergency) and in 2005 alone, interest payments will absorb 25% of the income of the central administration.



The government's aim was maintaining the "growth of GDP" through reducing the weight of the debt (with the debt-GDP ratio falling in 5 years from 100 to 60%). Neither will happen. The same economic team foresees a fall in the growth of GDP for 2006 (3.5%) with respect to 2005 (6.5%); as for the foreign debt, the "successful" placing of bonds for 500 million dollars and the "fresh funds" to be received from the IMF and the World Bank will increase medium term indebtedness

### **Adjustment and austerity**

They are the common denominators in the agreement with the IMF. The cabinet has decided that in a "first stage", the economic priorities will be "austerity" and extreme "fiscal discipline". The level of public investment will be as miserable as it was under the governments of the right, 2.5% of GDP.

This will have its correlate when the next National Budget Law is drawn up. The "adjustment in costs" will imply very insufficient increases in health and education. We have already had a taster: on March 28, the government issued a decree that capped investment for the Ministry of Housing. at 1,100 million dollars. This means a cut of 45% in investment, which will deepen the housing deficit (currently 80,000 houses), condemning thousands of families to live in temporary housing. [8]

On wages, the government had made it clear during the electoral campaign that there would be no "salariazó" [huge pay increases]. The recovery of purchasing power is effectively delayed, until 2007, as long as the "growth of GDP" and "increased investment" are "sustainable over time". If everything goes well, we can have a distribution of the cake.

The government has, from July 1, increased the national minimum wage from \$2,050 to \$2,500. The PIT-CNT (trade union federation) had hoped the increase would be from May 1 and the sum would be \$3,000. [9]

The percentage increase (the basis for the negotiations in the Wages Councils between unions and employers) will be between 2 and 4%, to be granted on a quarterly basis. If we consider that over the last three years real wages have fallen by more than 23%, this proposal is less than the minimum that the unions demanded. Pensions linked to the IPC (Index of Consumer Prices) will suffer the same (bad) fate, although an increase of 6% (to be paid in two stages) has been granted to "submerged" pensions.

In general this increase is no more than \$200 monthly. Things will not get better for the civil servants, who lost 18% under the government of the neoliberal Jorge Batlle/ The "recovery" will amount to 0.6% and successive wage increases will be tied to agreements of "responsibility in functioning" (a euphemism for "productivity").

In any case, the priority will be for areas like education, public health, justice, policing and the military. In a lunch organized by the Association of Marketing Directors minister Eduardo Bonomi (Tupamaro) clearly expressed the philosophy of the government: "It is necessary to resolve the problems of the people and then those of the civil servants". He added that "there is no productive development without increased wages". [10]

As far as unemployment is concerned the government aims to cut it to 10% by June 2006 (at the moment, the official figure is 12.3%), thus a diminution of little more than 2%. If it is considered that 52% of the economically active population are in conditions of open unemployment, under-employment and precarity (40% of the employed are not registered with social security), the government's aim of generating between 20-25,000 new jobs for 2005 and 30,000 for 2006 is something of a disappointment. [11]

And then? The devaluation of the labour force through "containment" (confiscation) of incomes, and the maintenance of unemployment and massive under-employment, will continue. The famous "redistribution of income" awaits a better opportunity. Wages will continue being the variable of adjustment to pay the foreign debt and maintain the profitability of companies.

Meanwhile, "tax justice" is in the freezer. VAT (23%) hits the workers while income tax means an extra expropriation of \$180 million a year. In fact, the government has agreed with the IMF that it will collect more to pay for the servicing of the foreign debt; while leaving intact the

basic characteristics of unjust taxation. Indirect taxes will continue to have more weight than direct ones, so the taxation system will increase the concentration of income and wealth.

### **Focused emergency**

The successive neoliberal governments have left a lot of victims, with tens of thousands of people surviving in the most dramatic conditions. For that reason, the Plan of National Attention to the Social Emergency (PANES) assumes "top priority".

The last report of the National Institute of Statistics (INE) crudely depicts the geography of poverty in the country. [12] Nearly a million poor (almost 30% of the total population), and 200,000 in the category of "indigent". 300,000 people live in "lasting or chronic", that is, "irreversible" poverty.

This layer of the "excluded" has an income 22 times smaller than those considered poor. Still worse, 57% of children are born in homes with "unsatisfactory basic necessities".

With this basic landscape, the "fight against poverty" is the flag unfolded to the four winds by the government. PANES has been designed to help nearly 40,000 households (200,000 people) in two years. The objective is to "include" the "socially excluded". The budget of PANES is \$134 million annually (100 from the government and 34 from the IADB.).

The amount invested by the government is 0.6% of GDP, a shameful amount if compared, for example, with that destined to the payment of interest on the foreign debt (almost 8% of GDP). It includes a "citizen income" of \$1,360 and diverse "benefits" in health, education, lodging for people in a "street situation", and transitory jobs of four months with a pay of \$1,900.

The "beneficiaries" must fulfil certain "counterparts" (conditions) like going to health centres, guaranteeing the participation of children and adolescents in schools, and carrying out certain community tasks.

So far, nearly 140,000 people have registered, although only 25,000 have been visited to verify their "real state of poverty". Barely 15,000 people have received the subsidy, leading to protest demonstrations and numerous pickets in the poorest districts. So the announcement that PANES would work quickly in accordance with the gravity of the situation is not going to take shape.

Not only because it cannot rely on the necessary infrastructure or experienced personnel but also because the promised "voluntary" work from the ministry has led to a series of conflicts on information, organization and the payment of travel allowance.

The speeches of the Minister of Social Development (Marine Arismendi, Communist Party) repeating time and time again that PANES is about "constructing independent subjects", able to evolve as "full citizens", clash with the reality of a governmental policy that leaves intact the realities of exploitation and super-exploitation that underlie poverty (injustice, to be more specific) and turns into conditions ("counterparts") what should be basic democratic rights: the right to health, education, housing, work.

Until now, the whole focus of the Plan has been on counter-benefits: demands for attendance of the children of the nuclear family at educational centres and the sanitary control of the family. If the construction of "independent subjects", or "citizenship", or the latent emancipatory potential in "civil society" is reduced to this, it can be affirmed that PANES does not amount to much.

The bourgeoisie are not affected by the "social emergency" because the government has decided on a line of minimal conflict with the propertied classes. Otherwise, instead of a program of greater focusing that by definition is directed at a single segment of the impoverished social layers, they would have focused on the wastefulness of resources by the rich, very much more significant from the point of view of volume and social justice.

For example, it could have made inroads on the gigantic tax evasion of the great companies, on the scandalous tax concessions [13], on the systematic breach of the labour laws on the part of the employer's associations, or on the thousands of million dollars that the smuggling mafias launder in the banking system. Instead of controlling the poor and sanctioning those

"beneficiaries" of PANES that do not fulfil the "counterparts", society (and the government) could impose a greater control on the rich and their wealth on the basis that "who has more, pays more".

### **Legitimacy**

Progresismo enjoys an incontestable political and social legitimacy. Unlike the previous governments, it does not criminalize protests and it appears as more responsive to popular demands. It is a government which extends democratic rights and transparency in the exercise of politics or the handling of public funds. So far, in this last aspect, the government of Tabaré Vázquez and the Frente Amplio is a contrast to the Lula government and the PT.

On the one hand the government takes initiatives that guarantee factory occupations as part of the right to strike, the free operation of community radios, or the elimination of repressive regulations in education, and on the other it goes in a frankly reactionary sense (cozying up to the hierarchy of the Catholic Church, campaigns against the legalization of abortion and "illegal" drug consumption and so on).

This authority allows the government to play the card of the "cursed inheritance" left by the neoliberal governments. Inequality, unemployment and poverty, like corruption, clientelism, the "inefficiency" of the State, "cannot be overcome in a single day". They impose a necessary period of "post-neoliberal transition", slow and gradual development of "small continuous changes". In other words, to cool, delay, or directly to reduce the intensity and volume of the demands.

The approach rests on two pillars; on the one hand, the credit built up by a mass movement that considers the progresista government as an advance of its conquests; on the other hand, the collaborationism of those sectors of left and the trade union movement that, in spite of contradictions and tensions, speak of "our government".

The government has followed a winding path with respect to the detained-disappeared and impunity for state terrorism in the years of the military dictatorship (1973-1985). It is on this question of human rights that the government faces a political crisis.

The intention "to turn the page" (a euphemism that tries to hide the objective of putting a "full stop") meets obstacles, mainly because impunity enjoys an institutional status (Law of Lapsing of the Punitive Intentions of the State, approved by 52% of the electorate on April 16, 1989). This Law of Impunity allowed the military to enjoy an amnesty and to avoid judgments and imprisonments.

The government has reiterated its will "to fulfil" those articles of the Law that the governments of the right failed to fulfil (for example, to investigate and to judge some cases of disappearances). Tabaré Vázquez hopes the military will provide the information to locate the remains of the disappeared, in particular those of the daughter-in-law of the Argentine poet, Juan Gelman. Despite a persistent media operation around a "historical change" in the Armed Forces results have not appeared. Nevertheless, the government does not abandon the idea of an "institutional pardon" to close this "painful chapter of our history".

The relatives of the detained-disappeared and the human rights movements insist on the search for truth and justice. New revelations (on clandestine burials and death flights) reinforce the mobilizations, especially those called by the Memory and Justice Plenary. and increase the perception that it is necessary to relaunch a campaign for the cancellation of the Law of Impunity so that the torturers and assassins go to jail.

### **Popular hegemony?**

The municipal elections of May 8 extended the political-electoral primacy of the Encuentro Progresista-Frente Amplio-Nueva Mayoría. [14] The traditional bourgeois parties, Colorado and Nacional, were swept aside, placing them on the defensive.

The balance sheet for progresismo could not be more favourable. From July 7 and for the next five years, it governs 8 of the 19 departments, including the capital of the country, Montevideo, for the fourth consecutive time. Under its administration are more than 70% of the total population, almost 78% of GDP and the regions that concentrate industrial

production, trade, agro-export, services and tourism.

Add to this the majority in both chambers of Parliament, the directorates of official banks, public companies, and the bodies of constitutional control. It will also have the majority in the municipal legislatures (Departmental Juntas). The avalanche of the useful vote "to continue changing", offered Tabaré Vázquez an "enormous accolade" that reinforces his legitimacy over any party political affiliation. According to all the polls taken, the approval rating of the president surpasses 70%.

Nevertheless, does this political map of absolute progresista colour imply the consolidation of a new hegemonic block? For many sectors (Frente Amplio leaders, political commentators and journalists) the perception is that the electoral results are a culmination of the "construction of popular hegemony" that the Frente Amplio has accumulated over three decades. The problem is that almost all of them do not establish the relation that exists between the ideological, political and programmatic regression of the leading layer of progresismo, and the subordination of that "popular hegemony" to the conditions of economic domination and social exploitation that the possessing classes maintain.

The strategic perspective of progresismo is based on three pillars: 1) a broad "social agreement" that guarantees "governability"; 2) the priority of plans for "fighting poverty" as a way of containing and deactivating social radicalization; 3) the "sustainability of the macroeconomic policy" imposed by the international financial institutions.

In fact, it is about continuity with the matrix of the neoliberal program. It is then valid to affirm that the forces interested in maintaining and reproducing the capitalist order have obtained a sizeable victory, extending their hegemony beyond their traditional base, and forcing left political organizations and currents, associated historically with the anti-capitalist and anti-imperialist struggle, to kneel down before the programmes of "free trade" while adapting completely to "electoral democracy".

Radical reforms and transformations in the area of politics and the economy are vetoed. It is for that reason, that the importance "of being the government" and having displaced the right from political command of the state, finds its counter-tendency: this government which emerges from a long trajectory of popular struggles and an anti-neoliberal mass movement, ends up applying conservative economic policies that fragment its own social base.

This generates a crisis of left "paradigms", a backward movement in class-consciousness, frustration and loss of belief that "another Uruguay is possible". Those who believe that the political-electoral changes suggest a "historical defeat" for neoliberalism are deluding themselves.

Far from being defeated, the neoliberal hegemony continues, impregnating political, programs and strategies of the forces (and governments) that in the popular perception, are located on the left, centre-left and progresismo. Examples are the neighbouring models of Lula, Lagos and Kirchner. The alliances, programmatic pacts, and subordination to "democratic governability", are explained by political, ideological, social, cultural changes that the left has undergone in recent years. This would have to be considered when there is talk of the construction of a "popular hegemony" where, nevertheless, notions as essential as accumulation of capital, exploitation, oppression, the class nature of the state or imperialist domination, appear dissolved in the cliché of a "productive country".

### **Building alternatives**

Does the legitimacy of progresismo imply that the workers' and popular movement has delegated its demands to the government? Reality demonstrates that, in an unequal and fragmented way, the social movements continue with their demands and mobilizations. Still, we are in a time of greater ebb tide of social struggle.

Nevertheless, to exert pressure to produce changes in the governmental policies, to face the employers power that continues generating conflicts, dismissals and ignorance of labour rights, means extending and fortifying popular organization, so the resistance maintains a thread of continuity.

The mobilizations of COFE (civil servants), the resumption of the struggle for respecting of the

plebiscite on water, the marches against the cellulose plants, the occupations of leather, refrigerators and wine-product factories, the protests against the soldiers and functionaries of the last dictatorship, the demands of the cooperative sector, neighbourhood demonstrations for services, protests of small debtors and so on, combine with a significant growth of urban and rural unionisation in recent years. [15]

There has even been a general work stoppage of three hours, although with the obligatory explanation that "it is not against the government". All this at a time of increasing "interest in politics" and the revitalization of debate and mobilization around the question of human rights.

These "contradictions" make up a process of a final, conflicting, opening of the class struggle. Where the decisive word is with the social resistance, the popular movements, the classist and combative left. A process where demonstrations of criticism and protest also appear in militant sectors of the Frente Amplio (Tupamaros, Communist Party March 26) and some rank and file committees; not only on the economic policy of the government, water and the cellulose plants, but also against the Treaty with the United States and any attempt to assure impunity.

The breach can be deepened, slowly but surely, to the extent that there is a popular movement that demands "solutions". It would be false to think that a government like that of Tabaré Vázquez (inheritor of the socio-economic crisis and the loss of credibility of the bourgeois parties) can maintain in a prolonged form and without tensions "democratic governability".

But the neoliberal economic policies of progresismo can aggravate the social fracture and the weakening of the possibilities of answers on the part of the wage earners, the unemployed, and the impoverished.

Developing an alternative policy to the program of progresismo constitutes a social and political urgency which must go beyond a resistance based in the reduced sectors of the social movements, because what is needed is a broad social convergence to defeat the economic policy of the government and the IMF. Indeed, if that (social and also economic) alternative is not satisfied centrifugal political dynamics will increase weakening the social fabric. That could leave the scene free for the return of the dominant elites and their servants.

This is the basic (strategic) question posed for a radical and anti-capitalist left that, beyond its tactics of "accumulation of forces" and its horizon of "regrouping", has been incapable of building an alternative and unitary politics, as much to overcome dispersion as to promote action and popular mobilization. Here is the greater deficit.

The radical left is on the defensive and atomized in a dozen groups with militant volume and diverse social implantation. Some spaces of political coordination have begun to develop [16] in the unions, the neighbourhoods, the fight against impunity and, mainly, in the movement for the defence of water. That is, in the area of social resistance and the most urgent popular demands.

□ *Ernesto Herrera is a member of the leadership of the Left Current (Corriente de Izquierda, CI) and the Broad Front (Frente Amplio). He was a member of the United Secretariat of the Fourth International until the 15th World Congress of 2003.*

## **7. Venezuela: Blows and Counterblows**

**by Marta Harnecker July 06,  
2007**

**<http://www.zmag.org/content/showarticle.cfm?ItemID=13221>**

1. The failure of the military coup in April 2002 (more than 80% of the generals in operational positions remained faithful to Chavez and the constitution) constituted the **first great defeat of the opposition** and a real gift to Chavez. These new circumstances allowed for the different actors to become unmasked and the people to acquire a much higher level of political understanding (both within the military ranks and within the civilian cadres, it was now known who could be counted on and who could not be counted on). It created a favorable playing



field in which to move forward with cleaning out the military institution. It divided the opposition. It reminded an ever increasing number of the middle classes, who were previously against the process, of the anarchy which would result from the marginalization of Chavez.

2. The frustrated attempt to bring the country to a halt on December 2, 2002, **was the second great defeat of the opposition**. They could not stop the country. Chavez did not bow to their pressure. But most importantly, the petroleum industry came to be truly under the control of the Venezuelan state. This was the second great gift from the opposition. Due to their subversive and saboteur attitudes, around 18,000 upper and middle-level managers who opposed the government – and who actually exercised control of the company – created the conditions in which they could be legally dismissed.

3. The ratification of President Chávez's mandate in the recall referendum of August 15, 2004 – a never-before seen process in world history – was the **third great defeat** that the Venezuelan opposition suffered in attempting to end the government of President Chávez. The triumph, by an enormous amount of votes<sup>[1]</sup>, and under the attentive gaze of hundreds of international observers, who unanimously ratified the results, was the third gift from the opposition.

4. It constituted, as one of the observers, well-known Uruguayan writer Eduardo Galeano, put it, "an injection of optimism in this world where democracy has lost so much prestige" due to the fact that it has been unable to resolve the problem of poverty.

5. This was not the victory of a single man, but rather of a humanist and solidarity-based project for the country, as much in the national as in the international arena; of a project for the country which had emerged as an alternative to the voracious and predatory neoliberal model: a model of endogenous development and social economy.

6. It was a triumph of the current Venezuelan constitution, the only constitution in the world that contemplates the idea of a recall referendum for the presidency.

7. But, above all else, it was a victory of the people, of popular organization, of the people from the *barrios* [poor neighborhoods], but also of the people from the middle class, who responded to the call of the president to organize themselves in their local voting area, taking the initiative without waiting for the organizations that were heading the electoral campaign to be constituted.

#### New post-referendum stage

8. With this triumph, a new stage in the Bolivarian revolutionary process began. The media warmongers were left without ammunition. The opposition revealed itself; it lost a lot of credibility. The internal struggles between different factions intensified.

9. The opposition had been defeated in this battle, but it was clear that the forces supporting Chavez had not yet won the war. We cannot forget that in a country of 26 million inhabitants, close to 4 million people voted in favor of revoking his mandate. Nor can we forget the expectations that were created by this triumph amongst those 6 million people who voted NO.

10. The challenges to confront in this new stage were extremely varied: political, economic, institutional and communicational.

11. The Bolivarian revolutionary process had to make a qualitative leap forward in regards to the protagonistic participation of the people. The most important idea of President Chavez – “poverty cannot be eliminated if power is not given to the people” – needed to materialize into organizational forms and concrete participation. And that is what occurred. The concept of the communal councils emerged. Carrying out an approximate calculation, it was estimated that Venezuela had around 52 thousand communities. And in each of these communities, an entity needed to be elected, which would play the role of a communitarian government. This entity was called the communal council, and a majority of them have already received government resources to begin carrying out small projects that the community has prioritized.

12. It was also crucial to **advance in the development of a new productive model**, as an alternative **to capitalism**. And that is what is occurring. Venezuela is being transformed from a country which survived of oil rent and the exportation of primary materials, into a country with a solid agricultural and industrial base, which produces goods and services that are needed for popular consumption. A model based on new social relations of production that liberate waged labor from exploitation by capital, by promoting companies of social production inspired by principals of solidarity, cooperation, complementarity, reciprocity and economic and financial sustainability. A model that aspires to territorial balance, and harmonic and proportional development of the regions, in order to overcome the housing problem and the collapse of the five large cities in which 75% of the population is concentrated. A model based on a new generation of basic companies orientated towards deepening endogenous development. I am referring to the creation of Compañía Nacional de Industrias Básicas (Coniba, National Company of Basic Industries) and its eleven affiliates, and the Corporación Petroquímica de Venezuela (Pequiven, Venezuelan Petrochemical Corporation) that aims to strengthen innovative technological capacities, in order to transform primary materials into value-added products which would allow for import substitution and the diversification of exportable products. A model that promotes state investment in strategic industries like telecommunications (CVG Telecom) and those that have to do with food security and sovereignty, such as Corporación Venezolana Agraria (CVA, Venezuelan Agrarian Corporation), the parent company of the new enterprises in the agricultural sector.

13. On the other hand, the process of co-management has made notable advances in the electricity industry in the state of Merida, and in the aluminum company, ALCASA, in the state of Bolívar. And the number of recuperated factories in the hands of workers has increased.

14. At the same time, one of the priority tasks is the need to resolve the problem of employment. With this objective in mind, the state has been pushing forward with the reactivation of the private industrial sector which is willing to collaborate with the project of endogenous development and social economy proposed by the government. The framework for an agreement with this sector has been established, through which the government grants low interest rate loans, as long as these companies take onboard their social responsibility, committing themselves to dedicating at least 10% of their earnings to covering the most pressing demands of the nearby communities.

15. Following the referendum, there was a **notable improvement in the correlation of forces in the institutional sphere**. The results in the elections for governors and mayors were very positive for the government. The opposition only governs in two out of twenty-four states. All the deputies in the National Assembly are Bolivarian. The opposition candidates, seeing that they were going to lose, opted to not participate in the elections, hoping to discredit this legislative entity in doing so.

## **The weaknesses of the process**

16. This quantitative accumulation of forces should have translated into a qualitative accumulation. An emphasis should have been placed on efficiency, in better performances regarding the responsibilities that each person must assume in order to put into practice all the projects and initiatives announced by the government; but this is far from having been achieved. The old state model continues in force, and despite the attempts by Chavez to change things, is very strong. The same has occurred with the issue of corruption.

17. Prior to the December 3, 2006 presidential elections there had been very little, or no advances made in the formation of a political instrument better adapted to the great challenges that the Bolivarian revolutionary process has set for itself. There continued to be - perhaps becoming even more accentuated - disputes over positions at the different levels of leadership of the process. The Miranda Electoral Command, formed to lead the presidential electoral process, was hegemonized by the Movimiento V República (MVR, Movement for a Fifth Republic), provoking discontent amongst the rest of the political parties that support the process, as well as amongst the population.

18. On the other hand, rather than advancing in the construction of a united instrument of the workers, this process took backward steps. Today, there continues to be too much dispersion. Old methods continue to be employed.

19. The opposition media outlets, which clearly make up the majority, exponentially enlarging the errors and weaknesses of the government, and distorting its project, thereby being able to recreate a climate of opposition to Chavez, influencing a significant number of Venezuelans.

20. Of course, the United States government - for whom, Chavez has become a true obsession - has continuously been behind these campaigns.

21. Lastly, added to this daily and hourly media bombardment, was an opposition that began to finally unite around the figure of Manuel Rosales, as the opposition presidential candidate for the December 2006 elections. The, until then governor of Zulia - one of the largest and most strategic states in the country due to the fact that it shares a border with Colombia - carried out a well orchestrated electoral campaign, promising to conserve all the good things that the Chavez government had done for the people, and demagogically announcing that he would also directly deposit into the bank accounts of every poor Venezuelan household a significant sum of money, product of the earnings coming from petroleum, so that instead of taking money out of the country to help other people, he would be handed it over to the people.

22. Able to sense all these limitations and obstacles, only weeks out from the electoral event, the president began to personally assume the direction of the campaign, appearing everywhere, in a tireless tour throughout all the country, where the people from the popular barrios applauded him with delirium. In the final two weeks of the campaign, he began to involve the youth as the central motor of his campaign, and to point to this social sector as the moral force which would allow the process to overcome the vices that infected previous generations.

23. Although no one doubted that Chavez would win, given the notable advancements that the Venezuelan people have obtained thanks to the Bolivarian government, due to the reasons previously mentioned, it seemed a difficult proposition that the Bolivarian leader could obtain a better electoral result than that in the referendum. This appraisal of the situation was

confirmed by a majority of opinion polls which gave him as the winner by a difference of some 20%, the same 20% of more than two years ago.

24. Nevertheless, a clean election, with the lowest abstention rate in the political history of the country (less than 25%), carried out under the attentive gaze of hundreds of international observers<sup>[2]</sup>, ratified the mandate of the Venezuelan president by an overwhelming majority of votes. Hugo Chavez got 7 million votes, 1 million more than in the 2004 referendum, and the opposition, represented by Rosales, maintaining its 4 million votes.

25. It was such a convincing victory that the current US government had no other option but to recognize the triumph, publicly accepting that a democratic regime exists in Venezuela, and expressing its interest in establishing a positive and constructive relationship with the new government. <sup>[3]</sup>

26. This was the **fourth great triumph of Chavez**, although this time it cannot be said that it was the fourth great defeat of the opposition, because, although they lost, they came out strengthened from the battle. We need to accept that its most recognizable leaders demonstrated maturity in acknowledging their defeat with nobility, and stating their disposition to wage future battles within the rules of the game laid out by the Bolivarian constitution.

27. For his part, President Chavez responded positively in front of these declarations, stating his disposition for dialogue, but "without conditions or blackmail", and always so long as the opposition did not intend for him to abandon his principles. "Socialism of the 21st century is, and will continue to be, the objective we are aiming for" he affirmed at the time.

Announcement of the decision to promote the creation of a new party of the revolution

28. In one of his first speeches after the election, Chavez put forward "as a strategic fundamental line, the deepening, widening and expansion of the Bolivarian Revolution... on the Venezuelan road to socialism" and made three fundamental announcements, which reflect the clear consciousness that the Venezuelan head of state has of the weaknesses that plague the political process in his country: the struggle against corruption and bureaucracy as two new strategic objectives of his government for the next period, and a call to construct the united party of the revolution.<sup>[4]</sup>

29. The first two announcements were not surprising, given that the president had insistently stated over the previous months his preoccupation with these issues, but the third announcement regarding his decision to create a new political party - which he provisionally called the United Socialist Party of Venezuela - was surprising. Not because he had not referred to the issue before or had not conversed about it with the leaders of all the political parties that supported him, but rather because the news was not preceded by a profound debate over the issue and because everyone was led to believe that what they would be dealing with, at least initially, would be more akin to the construction of a front of parties and not a political instrument that would imply the rapid dissolution of the existing parties, some with a long trajectory in the country, such as the Communist Party.

30. Chavez was very precise in his speech: he rejected the idea of what he called "a sum of acronyms", at the same time as he put forward the necessity to construct a new party with new figures elected from the grassroots.

31. What we are dealing with is a political entity that would unite at its core “all those Venezuelans willing to fight to construct socialism [in Venezuela]: whether they be militants from the political groups of the left, or members of the social movements, or those compatriots who up until this moment were either not members or, disappointed by the deviations and errors committed, had stopped being members of some of the existing organizations.”[5]

32. Tens of thousands of activists[6], as part of this new political project, went out to travel the country preparing a massive inscription of all those who aspired to become members of the United Socialist Party of Venezuela, the largest in the history of the country. More than 5 million people had enrolled up until June 3, one week before the closure of inscriptions.

33. Unfortunately, everything seems to point in the direction that in order to obtain such a high figure, acts of “stacking” or pressure were used on more than a few occasions, blurring the results obtained and causing discomfort amongst many people. The president has called on everyone to denounce these types of acts, and has given the directive that it is necessary to “look after the process.... and denounce in time any deviation” which could cause a lot of damage in the future.

34. On the other hand, Chavez left it very clear – during his Aló Presidente show on Sunday, June 10 - that one thing is inscription, and another the selection process afterwards of those who will go on to conform the new political instrument. His hope is that the new party will be made up of tested militants, although it will only be made up of a handful of people. What has not been spoken about until now is how, or who, will carry out this selection.

35. At the moment, a revision of all the inscriptions by the CNE (National Electoral Council) is in process. Afterwards, the inscribed aspirants will meet in groups of 200 - the denominated “socialist battalions” - to allow real, democratic participation by everyone, and to facilitate the selection from below, of the best men and women from these battalions as spokespeople to the Founding Congress. When it was previously calculated that some 4 million people would be part of the inscription process, it was estimated that around 22,000 socialist battalions would have to be constituted and each battalion would elect a spokesperson to the regional assemblies, who in turn would send spokespeople to the aforementioned congress. This congress would therefore be made up of around 2,200 congress delegates. Today, given that inscriptions have risen to over 5 million, new calculations will have to be made. What this formula does not resolve is what will happen when, by chance, various recognized leaders are concentrated in the same community.

36. The founding congress is expected to last three months, debating all the issues related to the new party: the program, organizational forms, type of membership and other issues, beginning with the debate over what type of country are they trying to build. After each session, these national spokespeople will go back to their respective grassroots assemblies to keep them informed and to deepen the debate at this level. It will be from these grassroots assemblies that those aspiring to fill positions at the different levels of leadership in the party will have to be nominated. Someone who does not count on support in their local base cannot be nominated to a position within this new political instance.

37. It is expected that through this mechanism there will be of flowering of thousands of new faces, until now unknown, originating from the new leaderships emerging out of communitarian work, and workplaces and study centers.

## **The five motors**

38. On January 10, 2007, after being sworn in for his second presidential term, Chavez made another significant announcement: he proposed the formation of the "five constituent motors" to advance towards the socialism of the 21st century.

39. The first refers to the Enabling Law, which allows the executive to legislate on areas where it is necessary to speed up the changes towards socialism.

40. The second relates to the reform of the Bolivarian Constitution of Venezuela, which would allow, amongst other things, the modification of articles that in the economic and political sphere are not in accordance with the project of the socialist society which they are attempting to construct. There is nothing strange about the fact that the Bolivarian Constitution of 1999 has become too small for the revolutionary process, just like a child's clothes become too small as they grow up.

41. The third envisages a campaign of moral, economic, political and social education called "Moral and Enlightenment," which has to be as present in territorial organization (communal councils and other organizations) as in the workplace.

42. The fourth, which the president has called "Geometry of Power", attempts to revise the political-territorial distribution of the country, and generate the construction of city systems and federal territories with the objective of redistributing political, economic, social and military power more equitably across the national arena.

43. The fifth, and most important, refers to "The Revolutionary Explosion of Communal Power" and aims to promote communal councils and everything that has to do with popular power

44. According to the Venezuelan head of state, these five motors will be the ones that launch the "Bolivarian socialist project".

#### Advances in nationalizations

45. In the last few months, there have been more advances made in regards to the nationalization of companies than have been made in the last 9 years of government, moving forward enormously in the recuperation of the economic sovereignty of the country.

46. "Electricidad de Caracas", the largest company in this sector, valued at \$900 million, was nationalized. The US multinational AES signed an agreement with the Venezuelan government, handing over 82.14% of its shares.[\[7\]](#)

47. On the first of May, the Venezuelan government recuperated its energy sovereignty by proceeding to nationalize the petroleum in the Orinoco Oil Belt, where the most important reserves in the world are located. There was a reduction of the power of the petroleum consortiums that operate in this region of the Orinoco river, where close to 400,000 barrels of petroleum are extracted daily, a figure which could rise to 600,000 barrels. This measure will affect various foreign companies. The most affected will be, from the US: Chevron, Exxon Mobil, Texaco and ConocoPhillips; the French company Total, the Norwegian Statoil; and the UK-based British Petroleum. For the Venezuelan company PDVSA, until now a minority partner



in this consortium, the situation has become inverted: its quota will be 60%.[\[8\]](#)

48. On June 8, Compañía Anónima Nacional Teléfonos de Venezuela (Cantv, National Anonymous Telephone Company of Venezuela), the biggest private telephone company in the country, which was publicly owned up until 1991, was renationalized. At the time of renationalization Cantv controlled 83% of the internet market, 70% of the national telephone communications market and 42% of international calls. It owned close to 3 million telephone lines and 100,000 public telephones.[\[9\]](#)

49. With this measure the Venezuelan state has advances in the control of the strategic telecommunications sector.

50. The recuperated company is attempting to increase telephone access to all areas of the country. In two years there will be a tripling of areas with fiber optic coverage. Its services will reach the most remote rural areas. As well as expanding the service, the aim is to make it accessible to the lowest income sectors, lowering the cost to make calls.

#### Non-renewal of RCTV's concession

51. During the night of May 27, the broadcasting concession granted to Radio Caracas Television, the most powerful opposition television station in the country, expired. I agree with the Venezuelan political analyst, Vladimir Acosta, that this was the second great revolutionary moment of the process, following the recuperation of petroleum in 2003.[\[10\]](#)

52. To convert a private channel into a public service channel is not only a strong blow to the media hegemony of the Venezuelan opposition, it is also an act "that goes to the heart of global power", because today this fundamentally depends on the mass media. Without the monopoly over media to fabricate consensus, the supremacy of this global power is enormously weakened.[\[11\]](#) It is because of this that there has been such a virulent conservative reaction at the global scale.

53. The measure was announced by Chavez months before. The opposition immediately prepared its counter response. It tried to make citizens believe that, with this act, freedom of expression would be mortally wounded, and that the government was advancing in an accelerated manner towards a dictatorial regime. After attempting various mobilizations of the adult sector, none of which achieved the scale hoped for, a new political subject appeared on the streets of Caracas: the students.

54. Thousands of them, the majority coming from the private universities, came out onto the streets protesting against what they called the "closure" of Radio Caracas Television. Although their intentions were peaceful, a group of students provoked disturbances, setting alight bonfires in the streets, impeding traffic and forcing police bodies to intervene to maintain order. The images of confrontations between students and police traveled the globe, as more proof of the authoritarian character of the government. What was not reported however, was the fact that the majority of those injured belonged to the police force, who had assumed a dignified attitude, not allowing themselves to be provoked.

55. But what do these students represent? Are we dealing with a mere apolitical movement, like they themselves and the opposition media like to make people believe?

56. The strategy of the opposition has been to, on one hand, "present the students as a unified mass" and, on the other, to maintain their separation from the student movement, in order to underscore its independent and spontaneous character.[\[12\]](#)

57. The first element of this strategy was rapidly pulled apart by an important sector of the students who supported the measure adopted by the government. They came out on the streets on a mass scale.

58. In regards to the second element, everyday, new evidence is emerging which reveals the behind the scenes intervention of the opposition. There are not only recorded telephone conversations and intercepted electronic messages which reveal their plans to use the students for political aims, but also, on top of all this, there is the irrefutable proof that one of the student leaders provided themselves.

59. The small group of student leaders who protested the "closure" of RCTV, convinced by the propaganda spread by the media amongst those that are assiduous, that chavistas are against freedom of expression in Venezuela, decided to demand an audience in the National Assembly, believing that this initiative would be rejected. To their surprise, the opposite occurred, only that Cilia Flores, the president of the Parliament, broadened out the proposal and decided that this event would be used to open up a debate between students from the opposition and those supporting the measure adopted by the government. In a gesture, never before seen in the history of the country, the National Assembly opened its doors to the students so that they could come and debate.

60. It was decided that each current would be granted ten minutes speaking rights. The opposition students entered the assembly wearing red shirts, which was strange given that red is the color with has identified chavistas. Afterwards it was discovered why: "far more than a safety strategy: they were an integral part of a professionally-designed media strategy". [\[13\]](#)

61. Speaking rights were granted first to Douglas Barrios, a student at the Universidad Metropolitana, a university known for harboring only the elite of society. After a speech lacking in any substance, where he called for a process of national reconciliation, he ended by saying that he "dreams of a country where people are taken into consideration without having to wear a uniform", and having finished this phrase, he and the groups of opposition students removed their red shirts, allowing everyone to see the white shirts they had on underneath, covered in different slogans defending RCTV.

62. All this could have been interpreted to be an original, theatrical act of repudiation, if it had not been for the fact that the last sheet of his speech was left behind on the podium. On it, very precise instructions were given as to how they should conduct themselves in the National Assembly. The text was signed by ARS Publicity, a company which is owned by the Globovision group, which was implicated in the April 2002 coup.

63. Taking off their red shirts, only speaking once, and to leave immediately - all these were actions that were outlined in the instructions. This last action was halted, at least for the duration of the following speaker, due to the pressure exerted on them to stay by the chavista students and the deputies of the National Assembly.

64. The self-proclaimed defenders of democracy were not capable of democratically debating;

they made only one intervention and then retired from the scene. The self-proclaimed independents arrived as pawns of Globovision. This is the hypocrisy of the opposition leaders.

65. It should remain clear that we are far from thinking that all the students that marched against the decision to not renew the concession are of this sort. We are convinced that the majority of them will reconsider their position, when through healthy debate, they know what the project for society, headed by President Chavez, really is.

66. The events in Parliament only put into relief the strategy of the opposition, but also, more importantly, revealed the extraordinary student leadership that has emerging in the country.

67. One after the other, the ten speakers in support of the measure adopted by the government began to dismantle, one by one, the arguments of the opposition, with freshness, intelligence, creativity and, above all, forcefulness. Who can argue, for example, with what the next speaker, Andreína Tarazón, from the Universidad Central de Venezuela said, when she criticized the behavior of the opposition students, comparing their conduct in not facing up to the debate, with that of Condoleezza Rice during the meeting of the OAS, where she spoke and then left?

68. Those viewing television, who saw this transmission, live and direct via a national broadcast on all frequencies, must have felt a strong impact due to the quality of the interventions. They were so good that it was not long before they began to be distributed via the internet. There were thousands of people in all parts of the world who were able to be astounded and amazed with the words of Andreína and her comrades. She transformed herself into one of the best ambassadors for Venezuela.

69. But the alternative media blow dealt by the left could not be left unpunished. A few days later *YouTube* suspended the account of the user named "Lbracci", through which this experience had been distributed in video format. [\[14\]](#)

70. On the other hand, new spaces for debate are opening up in all corners of the country. And the youth sectors are proving in practice that democracy exists in Venezuela.

71. Once again, **an attack by the opposition has resulted in a very positive event for the Bolivarian process**: a new social actor, full of force, of ideals, **has entered into the political sphere**. There is no doubt that those students who support the government have everything to win. A project for a more humanistic and solidarity-based country, that puts its efforts into eliminating inequalities; that calls for the exercising of a growing social control over all activities, in order to struggle against the scourge of corruption; that recuperates the sovereignty of the homeland. It is a project that the Venezuelan youth cannot afford to be indifferent towards.

## 8. Debate on Venezuela

### Document 1. Letter from Alex Callinicos, secretary of the IST, to central committee of Socialist Worker New Zealand

24 May 2007

Dear comrades,

Thank you very much for your statement of 1 May 2007, '[Venezuela's Deepening Revolution and International Socialist Coordination](#)'. We have, as requested, circulated it to the IS Tendency (as we are also circulating this letter). You raise two issues, first, the significance for revolutionary socialists of the revolutionary processes in Venezuela and Bolivia, and the proposal made by the Central Committee of the Socialist Workers Party (Britain) that the IST at its annual meeting in July establish a smaller coordinating body. In both cases, you either imply or assert, there are disagreements between our two organizations. We think you may be right, though we are not clear how significant they are.

### **Venezuela – a 'non-topic' for the SWP?**

To take by far the more important of these issues, that of the processes of radicalization underway in parts of Latin America, first, you write:

"Is the unfolding Venezuelan revolution the most important leap forward for the workers' cause since the 1917 Bolshevik Revolution? The answer from the delegates at Socialist Worker-New Zealand recent national conference was a unanimous 'yes'.

The masses in Venezuela are behind a genuinely revolutionary project in a way that has not occurred in the last 90 years. While nothing is certain, this could well create the mass impetus for a huge revival in the international revolutionary socialist movement".

Granted this assessment of what you call the 'epochal significance' of the Venezuelan Revolution it is entirely natural that you should scrutinize the response of the IST. Here you find the SWP in particular wanting:

"At present, there seem to be real differences between IST affiliates over the nature of what is happening in Venezuela. At one end of the IST spectrum, Socialist Worker-New Zealand see Chávez & Co as being at the centre of the most important 'revolution in the revolution' since the Bolsheviks proclaimed 'All Power to the Soviets' in 1917 Russia. At the other end of the IST spectrum, the Venezuelan revolution was a 'non-topic' in the official discussion bulletins of the British Socialist Workers Party in the lead-up to their national conference in January 2007."

It isn't the most important issue involved here, but we have to point out that it simply isn't true that we ignored Venezuela in the lead-up to and at our conference. The significance of the new forms of popular power that have developed in Bolivia and Venezuela was the subject of some debate. We had, moreover, highlighted the revolutionary processes in these two countries in the document, 'International Perspectives 2006-7', circulated during the pre-conference discussion:

"Since the mid-1990s the neo-liberal offensive has provoked waves of resistance that provide the conditions for a renewal of the left. The region where this resistance has developed to the highest level is, of course, Latin America, where the governments of Hugo Chávez in Venezuela and Evo Morales in Bolivia have become lightning conductors for the confrontation between the new movements on the one hand and neo-liberalism and imperialism on the other. The significance of Venezuela and Bolivia lies in the interplay between movements from below and governments that identify with these movements. Chávez in particular has sought to project himself as a global figure championing '21st century socialism' and challenging US hegemony.

Here then are cases where resistance to neo-liberalism has gone beyond simply stopping obnoxious 'reforms' and has begun to seek alternatives. Thus the Morales government's attempt to restore state control over Bolivia's hydrocarbon reserves puts the issue of social ownership as an alternative to privatization back onto the agenda. But the obstacles confronting these experiments are very real.

The efforts of the US and the Latin American ruling classes to contain the 'Chávez effect' have been successful in the presidential elections in Peru and Mexico (in the latter case at the price of massive electoral fraud that has split the country in two). The Bolivian oligarchy openly threatens Morales with secession and civil war. In both Venezuela and Bolivia left-wing presidents sit atop state machines programmed to defend the status quo. These problems can only begin to be addressed through a new breakthrough in which the mass movements begin to develop organs of popular power that can supplant the old state apparatuses."

Of course, there is much more to be said about Venezuela and Bolivia, and we have tried to say some of it, notably in our publications. Anyone who consults on the web the back-issues of *Socialist Worker*, *Socialist Review*, and *International Socialism* could not but be struck by the extent of our coverage of the major developments in these two countries over the past few years. Moreover, among the main memories that participants in Marxism 2006 would have taken away was the impact of the Latin American speakers, notably Roland Dennis from Venezuela and Oscar Oliveira from Bolivia. We hope to continue this at Marxism 2007 in London in July with the participation of the Venezuelan Trotskyist trade union leader, Stalin Perez, who has spoken at the Greek SWP's own Marxism event in 2006 and 2007.

But we haven't just written and spoken about Bolivia and Venezuela. One of the main ways in which the IST has developed since the emergence of the anti-capitalist movement at Seattle has been the interventions we have made at the various Social Forums. The biggest we have made to date in a World Social Forum was at the 'polycentric' event in Caracas in January 2006. This didn't just involve the comrades who went in considerable discussion and cooperation with Venezuelan activists, as can be gleaned from the extensive reports in *Socialist Worker* and *Socialist Review*: two leading IST members, Petros Constantinou (Greece) and Chris Nineham (Britain), took part in a delegation of the international anti-war movement that had a lengthy meeting with Hugo Chávez.

### **Assessing the Venezuelan revolution**

No doubt we could have done more and better, but this record hardly suggests Venezuela is a 'non-topic' for the SWP or indeed other IST organizations. Having got this red herring out of the way, let's consider whether there are more substantive political disagreements that separate us. To begin with, is what's happening in Venezuela 'the most important "revolution in the revolution"' since October 1917? Bigger than Germany 1918-23, Spain 1936, Hungary 1956, France May 1968, Portugal 1975-6, Poland 1980-1? All of these were defeated, you might say, but then, as you note, the outcome of the revolutionary process in Venezuela is uncertain: it too might be defeated, though we hope and strive to ensure that it won't. Moreover, in all the episodes we have just listed organized and – more important – self-organized workers played a central role, while you acknowledge that it is a 'weakness' that 'organized workers' in Venezuela are not yet 'in the forefront of the revolution'.

We don't need problematic comparisons with October 1917 to get a full measure of the significance of what's under way in Venezuela. The unsuccessful coup in April 2002 unleashed an unfinished process of radicalization driven by the interplay between Chávez and the movement from below, which have become progressively more dependent on one another. Even at the present stage where, as you acknowledge, no decisive break with capitalism has yet been made either politically or economically, this development is of enormous ideological significance for the reasons given in our document cited above – first, the movements in Venezuela and Bolivia have gone beyond simply resisting neoliberalism to seeking to construct alternatives; and, second, Chávez, in embracing socialism and drawing on a range of radical thinkers from Chomsky to Trotsky has helped to legitimize systemic critiques of capitalism itself and not merely opposition to some of its more unpleasant features.

All of this is more than enough to justify defending Chávez and giving solidarity to the movement in Venezuela, as we have quite consistently since the 2002 coup. But it is important to add two qualifications to this. First, as we put it in our 'International Perspectives 2005', 'if the movements are most advanced in Latin America, the most important front in the struggle against US imperialism is in Iraq.' It is the resistance in Iraq that is in the process of inflicting the most serious defeat American imperialism has suffered since the Vietnam War. By tying down the Pentagon's military machine in Iraq, the resistance has made a decisive contribution to creating the space that has allowed the resistance in Latin America to develop and, in the cases of Venezuela and Bolivia, to develop a more explicitly anti-capitalist dynamic.

Therefore we believe that the most important single internationalist task of revolutionaries today is to build the international movement against the 'war on terrorism'. Defeating the Bush administration's imperialist offensive is critical to the success of every struggle against neoliberalism and capitalism, including those in Venezuela and Bolivia. This is particularly important for revolutionaries in the advanced capitalist world since it gives a task that relates directly to the politics of our own societies rather than merely leave us to cheerlead for Latin

American revolutions.

Secondly, the revolutionary process in Venezuela is, as we have said, 'unfinished'. By this we mean, not simply that what you rightly call 'the existing capitalist state' in Venezuela has yet to be smashed, but that the Bolivarian Revolution is itself *ideologically* unfinished. You write: 'While Chávez & Co started from a radical reformist viewpoint, the unfolding class struggle has pushed them towards a socialist perspective which is now assuming ever-sharper mass revolutionary features.' It is undoubtedly true that the logic of Chávez's situation, where his political and personal survival has depended on stimulating and sustaining mass movements from below, has encouraged a journey of intellectual discovery that seems entirely genuine. But you overstate the coherence and stability of the outcome, for example, in the significance of you attach to Chávez's 'calling himself a Trotskyist'.

Chávez says a lot of things. For example, in a broadcast on 22 April he said: 'I cannot be classified as a Trotskyist, no, but I tend towards that, because I respect very much the thoughts of Leon Trotsky, and the more I respect him the more I understand him better. The permanent revolution for instance, is an extremely important thesis. We must read, we must study, all of us, nobody here can think he already knows.' He went on to praise the *Transitional Programme*. But exciting though such remarks may be for Trotskyists confined to the political margins for two generations, it doesn't alter the fact that he presides over a bureaucratic state machine that continues to sustain capitalist social relations against the mass movements on which any real revolutionary breakthrough depends. Hence the constant balancing act between the state and the mass movements that he is constantly forced into.

Chávez's way out of this trap seems to be the formation of the United Socialist Party of Venezuela (PSUV). You say: 'While the initiative for the PSUV came from Chávez, it will be built "from below"'. This isn't really the picture we have from Venezuela. What we read and hear about are activists complaining about the top-down pressures on different elements of the left to join up. For example, the Trotskyist leadership of the UNT (National Workers Union), after initially resisting these pressures, have decided to integrate their federation into the PSUV, but more for tactical reasons than out of principled agreement with Chávez's project. Whether or not forming the PSUV is the right step is something over which revolutionaries can legitimately differ. But surely we can agree that a genuinely united mass party of the left can only emerge from an organic process of debate. Any forced merger can only increase the danger that the PSUV will become a bureaucratic transmission belt for the government.

Moreover, as Chris Harman puts it in *International Socialism*:

"The call for a united socialist party is popular with many activists sick of the careerism, opportunism and jockeying for position of the three main parliamentary Chávista parties (MVR, Podemos and PPT). But it cannot provide an answer to the chaos because it will reflect in itself all the contradictory attitudes within the Chávista ranks. A party, in the real meaning of the term, is an organised current of people committed to a single political orientation. Chávism contains three such currents at present. There are those who want 'consolidation' through a cessation of any further threats to the privileges of capital and the upper classes; those who hanker after a Cuban-style authoritarian regime (at the very time that powerful forces in the Cuban regime are hankering after a replica of the Chinese approach, combining authoritarianism and the market); and those who want a thoroughgoing social transformation, the destruction of capitalism and genuine revolutionary democracy involving mass participation. The attempt to combine in a single organisation what are effectively three different parties cannot overcome the chaos."

One reason for adding these notes of caution is to avoid the mistakes that the far left have made over past revolutions in Latin America. For example, in the mid-1980s the Socialist Workers Party (US) and the organization now calling itself the Democratic Socialist Perspective (DSP) in Australia abandoned the theory of permanent revolution and broke with the Fourth International on the grounds that the 1979 Sandinista Revolution in Nicaragua had thrown up a 'new revolutionary leadership' that rendered the Trotskyist tradition obsolete. This political shift led both organizations in what can be best described as a left Stalinist direction that, for example, led the DSP to try to resurrect the bankrupt formula of the 'democratic dictatorship of the proletariat and peasantry' in respect of the Indonesian Revolution of 1998.

We believe that there is a qualitative difference between the cases of Nicaragua and other



Central American struggles in the 1980s and Bolivia and Venezuela today. The geopolitical context has changed dramatically – then the Second Cold War made the Sandinistas and the FMLN in El Salvador key targets in the Reagan administration's counter-revolutionary strategy, now, as we have noted, Latin American movements confront a weakened and distracted American imperialism. More important still, the Venezuelan and Bolivian struggles are driven by politically diverse popular movements employing the weapons of mass action, and not by national liberation fronts specializing in guerrilla warfare and therefore necessarily distanced from the urban masses that dominated the Central American left a generation ago.

All the same, we should learn from the mistakes made by the SWP (US) and the DSP and not to be too quick to proclaim that we are on the verge of 'a mass socialist international' centred on Caracas. This doesn't mean that we should avoid the 'engagement with the Bolivarian Revolution' that you advocate. On the contrary, as indicated above, we have made some attempts to do so, and will continue with this. The basis on which this should be, in the first place, solidarity with Chávez and the Venezuelan masses in their clashes with both US imperialism and the Venezuelan oligarchy. Following from that we need to develop closer links between trade unions and the like in our own countries and mass organizations in Venezuela (we have taken some steps in this direction here in Britain, but undeniably a lot more could and should be done). Finally, we should, to the best of our abilities as organizations in countries mostly a long way away from Latin America, pursue dialogue with the different elements of the radical and revolutionary left in Venezuela.

All these three dimensions of closer engagement with the Bolivarian Revolution are important and should be pursued simultaneously. But it won't help in all this to make exaggerated claims about the extent and coherence of Chávez & Co's move in a decisively revolutionary direction. This isn't a matter of chucking sectarian brickbats at Chávez for not having accepted the Comintern's 21 conditions or whatever. We think our record of championing the movements in Venezuela and Bolivia speaks for itself. But serious political dialogue with our comrades in these countries by ignoring the unevenness, inconsistencies, and limitations in what has been achieved there.

### **IST coordination**

The second issue that you raise – that of coordinating the IS Tendency – is of much less moment, and we are indeed a little puzzled that you thought it important enough to include it in a document that you placed on your website and that is therefore circulating on the Net accompanied by lurid reports of divisions inside the IST. Before addressing the point directly in controversy, let us make a preliminary point. You write: 'rather than looking inwards, the IST needs to be focused outwards towards the most advanced revolutionary upsurge of the past 90 years and the global socialist regroupments it will inevitably set in motion.'

We agree that the IST should be 'focused outwards'. Indeed, we think that the Tendency is doing exactly this. Without rehearsing all the detailed arguments we have made in the past few years, the SWP in particular has argued that Seattle opened a new period of anti-capitalist struggle that has created major opportunities to renew the revolutionary and radical left. We have accordingly been pursuing dialogue with other currents and exploring the possibilities of regroupment on a very extensive scale. We have participated in the last World Congress of the Fourth International in and the DSP's Africa-Asia International Solidarity Conference, and have made considerable efforts to develop better understanding and contact with the far left in Latin America and South Asia.

This has produced much closer relationships with some of the key organizations of the radical left internationally – for example, the LCR in France, the Left Bloc in Portugal, the Red Green Alliance in Denmark, and PSOL in Brazil. In line with these closer relations the organizations just mentioned have all sent delegates to the open sessions that have become a regular feature of IST meetings. Moreover, because we reject a rigid distinction between political parties and social movements, we see all our work in the anti-capitalist movement, and especially our interventions in Social Forums and the Cairo Conferences, as part of this same process of renewal and regroupment.

But, as our domestic experience has demonstrated, positively with Respect and more negatively with the Socialist Alliance and the Scottish Socialist Party, this process involves opening out to more than the established revolutionary left. The case of the WASG in Germany

demonstrates more spectacularly that elements of social democracy can, in the present period, be won to working with revolutionaries. But we have still to get the full measure of the potential for cooperation and debates with some elements of political Islam.

So we're all for looking outwards. You tie this issue to our proposal that the IST established a Coordination of selected organizations. You object:

"Any such 'selection' would leave non-selected IST groups on the margins of IST decision-making, given the tyranny of distance over a global coalition like the IST. It would fix the bureaucratic curse of the initiating 'centre' and the non-initiating 'periphery' on the IST.

"Why can't every IST affiliate have one representative on the IST Coordination? With modern communications technology, face-to-face meetings in London can be replaced by extremely cheap 'virtual' meetings that link all continents."

The simple answer to your question is that a Coordination consisting of every group would be no Coordination at all. The IST has a very simple structure. It consists of organizations sharing a common tradition and approach to revolutionary politics. Its meetings are devoted largely to political discussions, with very few decisions being made. These decisions are normally taken by consensus: the only real exception was the exclusion of the ISO (US) in 2001, which followed the ISO intervening to help to engineer a split in our Greek sister organization, SEK.

Rather ironically, for many years the IST structure has resembled the horizontal, consensual style of organization favoured by the autonomists. We have preferred this way of working not out of principle, but because we have felt that a minimal structure fitted our needs and avoided the Comintern-like pretensions of the FI and the like. But, as we have learned in the anti-capitalist movement, very flat structures require someone to coordinate them. The British SWP has played this role, partly because it has far greater resources and partly because of the political authority its leadership has enjoyed in the Tendency.

On the whole, this setup has worked pretty well. We are, however, beginning to think that it may be nearing its sell-by date. This is partly because leaderships that have emerged elsewhere in the world (including outside the advanced capitalist countries) that have enjoyed significant successes in building their own organizations and broader movements. Moreover, thanks particularly to our interventions in the anti-capitalist and anti-war movements, we have begun to build up significant experience of working together on an international base. To that extent, an international leadership of the IST that is broader than the SWP is already developing.

What we are suggesting is simply to formalize things a little by setting up a small Coordination consisting of organizations chosen by the IST meeting that would take on the work of orchestrating our international interventions and addressing problems in specific groups that is currently undertaken by the SWP leadership. Having instead a Coordination consisting of all the groups, as you propose, may be technically feasible but it doesn't address the real need, which is for an international working group that would meet, really or virtually, several times to address the issues outlined above. A Coordination of thirty-odd groups would simply be another plenary IST meeting, and less useful than the current one because the demands of virtual communication would probably restrict the time available for in-depth discussion.

We don't share your fears that the kind of Coordination we propose would be a 'bureaucratic curse' that would reduce 'peripheral' groups to passivity. For one thing, we don't accept the distinction between centre and periphery: in our view, among the most important IST groups are some very distant geographically from London. For another, since the IST is a voluntary association of groups with common politics, decisions of the Coordination could only bind groups if they agreed to accept them. Probably the biggest problem in practice would be to persuade organizations to participate in the Coordination, since this would require busy leaderships to allocate resources to tasks that up to now they have left to the SWP.

In any case, it is entirely up to the IST meeting in July to accept, reject, or amend our proposal. We think it is really important that SW-NZ sends a member of your working leadership in Auckland to that meeting. Quite apart from your concerns about the proposed Coordination, you have raised important issues about Venezuela that we need to discuss together, as a Tendency. We are willing to offer financial assistance to help bring your representative over. We would really welcome having you fully involved in our discussions in

July. Given what you call the 'tyranny of distance', direct contact is limited and we would all benefit from having you here in London.

In comradeship,  
Alex Callinicos,

for the SWP Central Committee

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## **Document 2: Stuart Monkton comment on Socialist Worker NZ- SWP UK discussion**

### **Much common ground on Venezuela**

*(an edited version of remarks made by Australian DSP supporter Stuart Munckton on the ongoing debate about the Bolivarian Revolution. Original version available [here](#).)*

The position defended by Alex Calinicos and the Australian ISO is not the same as, for instance, the much more extreme sectarianism of [the Alliance for Workers Liberty \(AWL\)](#), who have a clearer stance of opposition towards the Chavez government. There is much about how the IST has related to Venezuela that is positive - they haven't simply slammed it or refused to offer support against the attacks from imperialism. It is easy to get carried away and fail to recognise this. This is a discussion among comrades who have taken a positive approach to the gains, and see the need to defend the both the gains and the government, although the differences over our approach remain real and very significant - hence the debate.

There is much that can, and should be, be said about what is wrong with the analysis put forward by the ISO and Callinicos, but at its essence it represents a sectarian stance towards the actual motion of the class struggle. And whatever else is right or wrong about the position put forward by NZ Socialist Worker (and it isn't exactly the same as the analysis of the Democratic Socialist Perspective, which I belong to) it is ultimately THIS that they are challenging. The NZ comrades have put forward a position that recognises and seeks to proceed from reality as it exists, not an abstract conception of how reality SHOULD exist, which becomes the benchmark by which to judge reality.

The Callinicos/ISO position says, we support the gains and the advances, BUT the most important thing is all the problems and contradictions. The NZ comrades have turned this on its head and said, we recognise the limitations and contradictions BUT the most important thing is the advances for the class struggle, that we recognise, support and seek to relate to this.

This is regardless of another, although important, discussion which is how far the revolutionary movement has gone in Venezuela in terms of overthrowing the capitalist state and taking concrete anti-capitalist moves. This is important, and there are real differences over this, but it doesn't alter the fundamental orientation needed towards the revolutionary movement.

From what I can see, the NZ Socialist Worker has sought to proceed from the reality of the socialist revolution in Venezuela, not from an abstract measurement of a socialist revolution that demands any revolution has to score enough points on a scorecard to be recognised.

Sectarianism is not simply saying you don't like those people over there. AWL does that with Chavez, they are quite clear that they don't like or his government much at all. However, the Callinicos position doesn't. The official take of the IST has been to say, yes they DO like Chavez, he is an inspiring figure, and the pro-people policies of his government should be supported.

But the position put forward by Calinicos and the ISO are still at heart sectarian, because sectarianism means setting yourself against the movement of the class. The IST position still seeks to counter what it sees as its unique position, called "socialism from below", and counterposes it to the mass revolutionary movement in Venezuela, as it actually exists with all

of its existing limitations and contradictions.

To me this is the key difference. The Callinicos line raises very real problems and contradictions, ones that are widely recognised in Venezuela including by Chavez, but then sets the process as it currently exists in stone. It is assumed these contradictions can not be resolved in a positive way. So Callinicos quotes Chris Harman saying the reason why the new party won't work is because it has three contradictory currents in it. This suggests that the new party will suffer instability and a struggle will occur over its nature. Why is this going to automatically resolve itself in the negative? Won't this be the product of struggle? And shouldn't we throw ourselves in to this struggle by relating in a positive fashion to it?

From what I can see, this is what the NZ comrades are trying to do. They are not standing on the sidelines pointing out why this process is bound to fail, they recognise the problems and dangers but put upfront that socialists understand the significance of this battle and are in solidarity with it. Yes, the bureaucrats might end up in control of the PSUV, but anyone with two eyes can see that there is enormous enthusiasm from the ranks for this party. Five million members shows how keen the rank and file of the revolutionary movement - that is the radicalising working class, as it actually exists - see this new party as a weapon to advance the revolution. This gives an enormous impetus to the struggle to make the PSUV a genuinely revolutionary party. It gives great hope that the contradictions within the party can be resolved in favour of the working class and the revolution.

But Callinicos treats it as though the issue is already resolved against the revolution simply because there are contradictory forces at work. It may be a nice idea, but it won't work, therefore maybe revolutionaries should join it "for tactical reasons" but don't have any illusions. This position sets you up AGAINST the actual struggle within the revolutionary process, leaving those who joined this doomed struggle for tactical reasons at the very best going through the motions of a struggle you know you will lose in order not to be completely isolated from the class.

For all the talk of "socialism from below" it actually reflects a very negative view of the ability of working people "from below" to win this struggle. The new party seems tainted by its contradictions, and most of all tainted because Chavez has called for it. The role of Chavez is another factor predetermined. It seems it is impossible for him to play an important leadership role in making the socialist revolution. This seems to come down to a moral judgement of Chavez. He is disqualified from helping lead a socialist revolution by the very fact he was elected president overseeing a capitalist state and a capitalist economy. He is ruled ineligible from playing a positive leadership role in advancing the socialist revolution and struggle for workers power.

Here we face the same problem of taking a contradiction that leads to a struggle, and in advance assuming it must be resolved in the negative. To have a president at the head of a mass movement pushing ever more in an anti-capitalist direction, that is in the midst of struggle to create a revolutionary state and destroying the old state (leaving aside the discussion about how far this has gone) and urging working people on towards socialism.

Essentially, through the struggle, you have had a government arise that is independent of the bourgeois forces that dominate the economy and still a fair part of the state apparatus. This is not sustainable, but is it really ruled out in advance that this contradiction about the role of Chavez and the government he leads can only be resolved in the negative, with Chavez either turning on the working class or else being overthrown by counterrevolution?

In fact both the Comintern in 1922 and Leon Trotsky in the Transitional Program (which Chavez urged Venezuelan people to go and read recently on his nationally televised program) raised the concept of a "workers and farmers government", that is a government independent of the bourgeoisie but which still rests on a capitalist state. Different forms of such a government were conceived of, including one based directly on communist leadership. Obviously, such a situation is not stable and can only be transitional to a workers state the reestablishment of bourgeois control over the government. Such a government has to move to

work to dismantle the bourgeoisie state and replace it with a revolutionary one.

Such a thing can only be achieved by the working people themselves - the role of such a government is to encourage and help lead this process. There is a fair chunk of evidence that this is the course Chavez is on at the moment and important gains are being made, but let's leave that aside and ask whether such a thing is even possible according to the approach taken by Callinicos/ISO? Such a course of action appears to be written out as not applicable.

So yes, the struggle has to be "from below", that is it can not be decreed by Chavez or anyone else but must be made on the ground by the working people themselves. But we all acknowledge that leadership is important and here we get to the nub of the question. Chavez appears to be ruled ineligible from being a central part of that leadership. He is "stained" by having gotten himself elected into the office of president.

It would be much cleaner, of course, if the Venezuelan revolution has not gone through and made use of the bourgeois electoralism at all. If the workers had simply risen up, formed soviets and smashed the bourgeois state in one fell swoop back in 1999. But they didn't. The struggle to resolve the needs of the working people and their allies placed Hugo Chavez in Miraflores palace on a platform to achieve change. The subsequent struggle against the implementation of the platform has created a massive class struggle. This has radicalised both the impoverished mass and Chavez, pushed the process forward, made some important gains both social and political and placed the question of socialist revolution immediately on the cards.

That is the reality of the Venezuelan revolution. The revolution has reached this point through a course determined by the Venezuelan reality, regardless of whether or not this was the most ideal way for it to go.

The real question is not about "socialism from below" at all. This is really a tautology anyway. Socialism involves the fundamental transformation of social relations on a massive scale - it can only be made by the working class. You cannot create socialism except "from below" (ie: made by the working class). It is actually about the fact that we all recognise that revolutions require revolutionary leadership and the Callinicos line doesn't recognise the existing revolutionary leadership as a revolutionary leadership.

Of course, this revolutionary leadership is very much a work in progress. There is the leadership on a national level centred in the figure of Chavez. That so much authority is vested in one individual is a weakness, but again there is no point complaining because reality is not perfect. There is also the emerging revolutionary grass roots leaderships in communities and workplaces. Both are seeking to push the process forward and have been blocked to varying degrees by bureaucracy that controls much of the state apparatus. The new party is an attempt to overcome this problem, to deepen and strengthen the grass roots leadership that is arising to break down the road blocks. Whether this can happen, whether the broad based mass revolutionary leadership required to decisively take the revolution forward will be created or not, will be the product of struggle.

The problem seems to be that the Callinicos position rules out in advance the possibility of the creation of a revolutionary leadership through such a process, and deny the important gains already made along this line. It isn't how the IST have always said it should happen, so rather than conclude maybe there is a need to broaden the IST's understanding of how the possible ways a revolution can occur and the different roads to solve the problem of revolutionary leadership the class struggle might throw up, the problem is concluded to be with the Venezuelan revolution. Chavez simply can't be a revolutionary leader, and the revolution simply can't occur in such a way.

This is why you can have generally positive attitude to the gains of the revolution, as the IST does. You can defend it against attack, as the UK SWP did in the pages of their press against the media onslaught over the RCTV decision, an article that is hard to fault. But if you acknowledge that there is a socialist revolution and that Chavez is attempting to lead it, and if

you support the struggle for a revolutionary party to take it forward that is underway — as the NZ comrades have done — then you challenge something much more fundamental.

This is obvious from the way the discussion has explicitly raised the question of IST organisation. The New Zealand comrades have pointed out the obvious, which is when discussing how socialists should relate to each other internationally, you must take into account and seek to relate those currently leading a socialist revolution. They take this approach despite acknowledging the unfinished nature of the struggle for power, and despite the weaknesses, such as in the organised workers movement.

The Callinicos line, on the other hand, seeks to use these things as an excuse not to proceed from such a position. It doesn't mean, as Callinicos implies, that this means creating a new "international centre" in Caracas. It doesn't mean denying the steps still to be taken and the potential for the process to be derailed. It means that you relate to this struggle with open arms, and seek to collaborate with and learn from the comrades who are leading it, many of whom come from a wide variety of traditions and reflect, within the revolutionary process, various positions.

**June 20, 2007**

## **9. Showdown in Mexico**

**Phil Hearse, July 2006 <http://www.internationalviewpoint.org/spip.php?article1103>**

**On 16 August Mexican president Vicente Fox sent 800 federal riot police with armoured cars to guard the parliament building in Mexico City, against the possibility of attack by the tens of thousands of protestors occupying the centre of the city in a semi-permanent encampment. The protestors are demonstrating against the giant fraud in July's presidential election, which robbed centre-left candidate Andres Manuel Lopez Obrador (popularly known as 'AMLO') of victory, and handed the presidency instead to right-winger Felipe Calderón, candidate of Fox's National Action Party (PAN).**

This summer has witnessed a series of harsh struggles and street battles as the outgoing government of Vicente Fox sought to stem the rising tide of social protest - using the traditional methods of the Mexican elite - vicious repression and electoral fraud on a grand scale.

While the protests are currently centered on the electoral fraud, over the summer there have been several other key battles - a mass movement in the state of Oaxaca to bring down the corrupt right-wing government (including a 44-day strike by Oaxaca schoolteachers leading that mass movement), a prolonged strike by miners and steelworkers and a huge conflict with federal and state riot police in the militant community of San Salvador Atenco in Mexico state.

There is more to come. Already Lopez Obrador's centre-left Party of the Democratic Revolution (PRD) has set a series of dates for mass mobilisations going into the autumn, mobilisations which could easily escape its control.

Why has this huge social conflict built up over the summer? Two factors underlie much of the tension - the build up to the presidential election which the Mexican oligarchy, in close collaboration with the United States, was desperate not to lose to even the moderate left, and the progress of the 'Other Campaign' - the project of uniting and building Mexico's social movements from below, launched by Subcomandante Marcos and the EZLN a year ago.

But behind these factors are more fundamental issues. Since the election as president of right-wing Svengali and narcho-politician in chief Carlos Salinas de Gortari in 1988, Mexico has been suffering the continued pressure of neoliberalism, which in as a result of the NAFTA agreement has wrecked traditional communal peasant agriculture and devastated agricultural communities.

The net result is an avalanche of migrants to the cities, particularly Mexico City, flooding the ranks of the informal economy and with it urban mass poverty in the huge edge of town barrios. Social inequality has deepened massively, in a country already one of the most unequal in the world. Like Brazil, Mexico is a country where the rich live like the rich in



Switzerland and the poor live like the poor in India.

Social tensions have been high since the emergence of the Zapatista indigenous movement in 1994. With no independent mass party representing the interests of the workers and the poor, Subcomandante Marcos and the EZLN have acted as a sort of substitute leadership, giving consistent support to every militant struggle. But paradoxically the Zapatistas themselves have been largely confined to their Chiapas mountain strongholds, a limitation that the Other Campaign aims to overcome.

How has this spring and summer of battle unfolded?

### **Miners and steelworkers strike**

More than a quarter of a million miners and steelworkers walked off the job between March 1-3 in wildcat strikes at 70 companies in at least eight states from central to northern Mexico, virtually paralyzing the mining industry.

The strike resulted from an attempt by the government to remove the Mexican Miners Union's top officer, General Secretary Napoleón Gómez Urrutia, and replace him with Elías Morales Hernández, a union dissident who is reportedly backed by the Grupo Mexico mining company. As Mexico labor expert Dan La Botz explains:

"The strike by members of the National Union of Mining and Metallurgical Workers of Mexico (SNTMMRM) resulted from both labor union and political causes. The explosion and cave in at the Pasta de Conchos mine in San Juan de Las Sabinas, Coahuila in northern Mexico on February 19 killed 65 miners. The Miners Union leader Gómez Urrutia blamed the employer, Grupo Mexico, calling the deaths "industrial homicide." The Pasta de Conchos cave-in set off a storm. Throughout Mexico politicians, academics, intellectuals, and ordinary people criticized the mining company.....

"While miners throughout the country mourned the death of their brothers and complained of health and safety conditions in their own mines, there was no official or wildcat strike in the immediate aftermath of the accident.

"Then, on February 28 the Mexican Secretary of Labor announced that Gómez Urrutia was not actually the head of the union, but that the real general secretary was Elías Morales Hernández. The government's action was based on part of Mexican labor law known as "taking note" (toma de nota), under which the government recognizes the legally elected officers of labor unions." [1]

The government turned to violent repression of the striking miners and steelworkers supporting them. On April 20 eight hundred state and federal police launched an assault on 500 striking workers who had been occupying a steel mill in Lázaro Cárdenas. Two were killed, five seriously injured and 40 wounded.

Since Felipe Calderón declared himself winner of the presidential elections Grupo Mexico has been on the offensive against the miners. At Nacozari, one of the world's largest copper mines, just a few miles south of the US border, 1400 miners have been on strike since March 24. On July 12 the board said they'd abandoned their jobs, and gave the mine's owner, Grupo Mexico, permission to close down operations, effectively firing the strikers. At the time of writing the strike is unresolved.

### **Bloody conflict in Atenco**

San Salvador Atenco, 30 kms west of Mexico City, is a largely agricultural community which in 2001 led a huge and successful battle against the building of a new Mexico City airport, which would have confiscated their land and destroyed their livelihoods. The organisation which led the struggle, the FPDT (Peoples' Front in Defense of Land), remained in existence.

This militant community invited Subcomandante Marcos to speak in the town on May 1. Two days later police attempted to arrest flower sellers from Atenco who set up their stalls on some land owned by the American multinational Walmart in the nearby community of Texcoco. The flower sellers called for help on their mobile phones and hundreds arrived to beat back the police attack. A day of bloody battles followed, in which two people were killed by paramilitary riot police.

Next morning the federal riot police carried out a brutal attack on the town, which involved - as is the style in Mexico - brutal beatings, the wrecking of homes, the theft of money and the arrest of more than one hundred. In jail dozens were subject to torture and more than 20 women were raped or otherwise sexually abused. Some key leaders of the community, including FPDT leaders Ignacio del Valle and Felipe Alvarez, remain in jail accused of 'armed kidnap' (a reference to the abduction of several cops during the first day of the battle).

The Atenco attack caused outrage in Mexico and beyond because television reporters were allowed to film many of the events, including the beating of one man by more than 20 riot cops. As a consequence of the Atenco attack the Zapatista leadership declared a red alert and started a nationwide campaign for the release of the imprisoned Atenco campesinos.

In a statement on 4 May, the Revolutionary Workers Party who support the Fourth International, declared the events at Atenco to be "a deliberate provocation against the Other Campaign" saying that "without a shadow of doubt" the police attacks has been designed to coincide with Marcos' visit, and to impede the progress of his campaign. After finishing the Valley of Mexico part of his trip Marcos was due to travel to San Luis Potosí, where an important rally for the release of political prisoners was due to take place.

### **Uprising and terror in Oaxaca**

Oaxaca state on the Pacific coast has a long militant history. In the early 1970s it was the site of a militant guerrilla struggle led by the Party of the Poor, which resulted in near-genocidal repression in which thousands of young people assumed to support the guerrilla were killed.

Over the summer there has been a prolonged struggle against the ultra-corrupt state government of right-wing Governor Ulises Ruiz Ortiz, a member of the PRI (Institutional Revolutionary Party, until recently the main party of the Mexican elite). It started with a strike by militant teachers for better wages and more financial support for poor students, by soon mushroomed into a general campaign to force Ulises Ruiz to quit.

The teachers and their allies occupied the main square (Zócalo) in the city of Oaxaca, including taking over some government buildings. On June 14 state and federal paramilitary police launched a violent attack on the protestors' encampment in which several people (the exact number is unknown) were killed. The very next day the teachers and their supporters re-took the Zócalo, instituting a two-month period of virtual 'dual power' in the city and much of the state. Indeed on July 5 the Popular Assembly of the People of Oaxaca (known by its Spanish initials APPO) declared itself to be the legitimate government of the state.

Since then there have been repeated mass marches, assassinations of popular leaders by 'unknown' gunmen who have opened fire on several demonstrations, the takeover of several radio and television stations to put the mass media at the service of the people, police attacks on those radio stations and at the time of writing (late August) a threat by Oaxaca business people to stage a state-wide strike against...the inability of the state government to stop all the strikes!

In response to their inability to crush the mass movement politically, Ulises Ruiz - backed by Vicente Fox's national government - has unleashed a reign of terror in the streets of Oaxaca. Right-wing death squads prowl the city by night and have carried out drive-by shootings at the radio and television stations, as well as opening fire on several demonstrations.

On 21 August the Channel 9 television station headquarters, used as a headquarters by the dissident movement, was attacked and burned by right-wing thugs, making it unusable.

On 22 August city and state police agents, dressed in black and wearing masks, traveled throughout the city in a caravan of motorcycles and pick-up trucks. The convoy of 34 vehicles joined up at about twenty minutes after midnight and opened fire on TV and radio security watchposts from their moving vehicles. As the caravan passed radio station La Ley 710, teacher Lorenzo San Pablo Cervantes received bullet wounds to the back. He was taken to the hospital and later died.

In Oaxaca, as elsewhere, right-wing government forces are trying to effectively militarise the struggle, create an atmosphere of fear and tension, create mass feeling of crisis and disorder and blame all this on the rebellion - to create the atmosphere for a future bloody crushing of the movement by the army or police.

The situation is now extremely dangerous for the mass movement, especially as tactical divisions have emerged, with the teachers abandoning their 44-day strike without having achieved their objectives. The fate of the Oaxaca struggle is closely linked with that against electoral fraud centred on the occupation of central Mexico City.

### **Electoral Fraud**

In the run-up to the July 2 presidential election the two leading candidates, Felipe Calderón of the PAN and Manuel Lopez Obrador of the PRD appeared to be neck and neck, but with some polls putting Lopez Obrador slightly ahead. In the event, when the final result was posted, the official result gave a slight advantage to Calderón, leading to widespread suspicions of electoral fraud.

As Mexico City journalist and left-wing activist Peter Gellert points out:

“Given the close vote and AMLO’s (Lopez Obrador’s) charges of electoral fraud, a partial recount of 9% of the country’s 131,000 polling stations was ordered by the Federal Electoral Tribunal. AMLO and his supporters, however, have been demanding a 100% recount. The recount, which began on August 9, has not resolved the dispute. The AMLO forces charge serious discrepancies, even on the basis of the small 9% sample, among them:

In 43% of the sample, Calderón had been accredited with more votes than he actually received, lowering his total number of votes by 13,500. This was 5000% more votes than AMLO lost in the recount.

In 65% of the recounted polling stations, there were either more ballots deposited than there were voters or more voters than there were corresponding ballots. In Mexico, control of the paper ballots is extremely strict. In the 9% of the polling stations that were recounted, these discrepancies involved 120,000 ballots - half the difference between the two candidates nationwide across all the polling stations.

More than 30% of the supposedly sealed ballot boxes had been opened after the elections, raising the spectre that their contents were altered.” [2]

Since July 30 the centre of Mexico city, including the Zócalo, has been occupied by tens of thousands of protestors. According to Gellert:

“Many far left and social organisations that didn’t participate in AMLO’s campaign are involved in the anti-fraud protests. Along the eight kilometre stretch of encampments, a wide array of neighbourhood associations, unions, student groups and political organisations can be found.

“Unfortunately, the Other Campaign, an initiative launched by the Zapatista National Liberation Army and headed by the charismatic Subcommandante Marcos, while condemning the fraud, has abstained from the mass demonstrations. During the election campaign, the Other Campaign centred most of its fire on AMLO and the obvious deficiencies in the PRD’s program and methods. Some organisations that participated in the Other Campaign are, however, involved in the anti-fraud protests.”

The huge political crisis in Mexico is deeply rooted in the massive social inequality that has been deepened by nearly two-decades of neoliberalism and intensified subordination of Mexico to the needs of US multinationals and agri-business. Violent repression, harsh methods of struggle and occasional outbursts of fury on those at the bottom of the pile are the inevitable results.

Regrettably what the poor and oppressed of Mexico lack is a nationally structured anti-capitalist political party which can represent them, co-ordinate the struggles and intervene on the national political terrain. As we noted above, the Zapatistas and the Other Campaign can to a certain extent play the role of a substitute leadership, but only partially, occasionally and inadequately. While the far left in Mexico has been correct to support the Other Campaign, the key question is what lasting political results it will lead to.

## **The Challenge of Socialism in the 21st Century**

Some initial lessons from Venezuela, Stuart Piper

**There is a tension at the heart of Venezuela's Bolivarian revolution. It's been there for several years. But it has come to the forefront in recent months, since Hugo Chavez' re-election as president in December 2006, his announcement of 'five motors' to drive the country's passage towards 'socialism of the 21st century', and his call for a new united socialist party to organise that transition. It is the tension between the revolution's anti-neoliberal and anti-imperialist achievements – which are undeniable – and its socialist promise – which remains just that, a promise.**

It was of course the depth of Venezuela's structural reforms – its often noisy but nonetheless real break with the market-driven priorities of the Washington consensus – that first established the process as a beacon for the global justice movement and the international left. It was this consistent anti-neoliberal stance that lay behind the welcome given to Hugo Chavez at the World Social Forum in Porto Alegre in January 2005, even before the Venezuelan leader had made any commitment to the 'S' word.

That impact reached well beyond Latin America and the traditional solidarity circles of Europe and North America. A couple of examples are illustrative. One comes from Indonesia, where the new left party PAPERNAS repeatedly refers to the Venezuelan example to explain and justify its platform for re-asserting national sovereignty over the country's natural resources and economic development. Another comes from Egypt, where there is a tradition in the Cairo bazaar of giving the names of public figures to the dates on sale, as a measure of the quality of each batch of these dried fruit. Following last year's war in Lebanon, it was no surprise that the poorest, bitterest varieties were called 'Bush', 'Blair' and 'Olmert'. Nor was it much surprise to find that the very finest, sweetest dates were called 'Nasrallah', after the leader of Hezbollah. But among the group of other tasty varieties, following up a little way behind, was one called 'Chavez'. The Venezuelan leader had of course withdrawn his ambassador from Israel in protest at the aggression.

All this merely illustrates the extraordinary resonance that Venezuela's bold opposition to Empire has had among tens of millions of those Fanon once called "the wretched of the earth" – a resonance that began to be felt after the defeat of the anti-Chavez coup in April 2002 and the development of the health and literacy 'Missions' from 2003, and which is unlike anything experienced for a couple of decades.

But more recently, something else has emerged to give the Venezuelan process a bigger, more profound impact still. This began with Chavez' invitation in 2005 to begin discussing 'socialism of the 21st century', a discussion which continues even more intensely today after the commitment he made in December 2006 that this is now the main challenge for the next period in Venezuela. Of course this is of critical importance for the struggle inside Venezuela. But it also transforms its international potential.

Firstly for those of us in countries where the word 'socialism' has been erased from most people's political vocabulary for the last 17 years or more, it has suddenly become possible to talk about socialism without appearing to have just flown in from another galaxy. More than that, Venezuela is the first living laboratory – at least since Nicaragua in the 1980s – to test out what exactly socialist democracy might look like in the 21st century, and what strategies are available to get to it. Some of these strategic questions have begun to reappear in theoretical form in recent years. For example there has been an important debate in the pages of the French LCR's Critique Communiste, involving Daniel Bensaid, Antoine Artous, Alex Callinicos and others. Among the central questions they raise: under current conditions, does a socialist revolution and the building of a new kind of state necessarily entail one crucial, explosive moment when the old state apparatus collapses, some kind of 'storming of the winter palace', the result of an insurrectionary general strike or maybe a prolonged, popular, military struggle? Or is it possible to envisage the emergence of new state structures

defending a new set of class interests, alongside or even within the old state which defends the old class interests?

This is probably the most decisive question now facing the Bolivarian movement in Venezuela. For at the risk of simplification, the political process in Venezuela can be described as a nationalist, anti-neoliberal, anti-imperialist revolution, within which there is a socialist revolution struggling to get out. And paradoxically, both aspects are crystallised in the personality of Chavez himself. The socialist revolution is struggling to get out because this is a process which first developed out of a conventional (that is bourgeois representative) electoral victory in 1998, with the backing of quite a broad cross-class alliance, and which at least up until the failed coup of April 2002, did little to step beyond that institutional framework. Certainly the new Bolivarian Constitution of 2000 overhauled those institutions, and had many radical things to say about popular participation and the centrality of human needs and human potential. But it did not challenge the basic premises (either of delegated, representative democracy, or of private property relations). And to some extent it entrenched the class alliance that had backed it.

Since the uprising against the coup in 2002, and especially since the struggle to resist the employers' lockout at the end of that year, the popular mobilizations, the Missions, the urban land committees, some sporadic or partial experiences of workers' control, some of the rural and urban co-operatives, and most recently the emerging Communal Councils, have begun to move beyond the old framework and even to 'defy' it. But still the central levers of power in Venezuela – including the office of the presidency itself – remain institutionally located, even 'trapped', within the old administrative structures. The problem for the Bolivarian movement – and perhaps for most conceivable revolutionary situations in today's world – is how do you get around the existing apparatus, when you first came to power through it (ie. you were elected into office). In the case of Venezuela, this problem is connected to another: how can the movement develop a real collective leadership and free itself from the overarching dominance of one revolutionary 'caudillo', however honest and able, as Chavez himself seems to recognise it must?

Two of the most recent developments in Venezuela, and one slightly older one, seem to point towards a possible solution. The latter is the experience of co-management with workers' control developed in a few workplaces since early 2005, most importantly at the ALCASA aluminium plant in Ciudad Guayana. This experiment remains very limited in its spread, patchy in its application, and there are some worrying signs that it has fallen out of favour with the central leadership. Chavez made almost no mention of it at all in his keynote speeches of December and January outlining the priorities of the new period of the revolution. But it remains the most ambitious and inspiring example so far of a radical alternative to the old system. The two more recent developments are the call for a new United Socialist Party, as "the most democratic party Venezuela has ever seen", and the "revolutionary explosion of communal power" that Chavez identified as the fifth and most important motor of Venezuela's transition to a socialism of the 21st century.

Together these three seem to re-assert an old truth. The solution can only be democracy – the radical extension of democracy into every area of social life – because that, in the end, is what socialism is. Indeed 'collective ownership' of the means of production is pointless unless it means the extension of democratic, collective control over the economy.

This is how President Chavez described the challenge of communal power on 8 January as he swore in his new government.

"This year with the Communal Councils we need to go beyond the local. We need to begin to create, by law in the first instance, a kind of regional, local and national confederation of Communal Councils. We have to move towards the creation of a communal state. And the old bourgeois state, which is still there, still alive and kicking, we have to begin dismantling it bit by bit, as we build up the communal state, the socialist state, the Bolivarian state - a state that is capable of carrying through a revolution. Almost all states have been born to prevent revolutions. So we have quite a task: to convert a counter-revolutionary state into a revolutionary state."

This is indeed a far-reaching vision. The Venezuelan revolutionary and former minister Roland Denis – often a critic of Chavez from the left – is surely right when he says the communal

councils – which are intended to bring together 200-400 families to discuss and decide on local spending and development plans – offer an historic opportunity to do away with the bourgeois state. In theory there are already 18,000 of them. This should rise to 30,000. In practice many of them have yet to get up and running.

But there are two related problems with the Communal Councils as presently conceived. One is that they are not entirely autonomous. They were created and are regulated by law, a law drawn up and passed by the 'old state', even if an old state inhabited by chavistas. This is significantly different from the Participatory Budget of Porto Alegre and some of its other more radical manifestations elsewhere in Brazil, which to a considerable degree have inspired the Venezuelan initiative. There the PB was set up 'informally' by a convergence of the social movements in the poor neighbourhoods and the party (the Workers' Party or PT) that was in local government, taking advantage of a loophole in Brazil's post-dictatorship constitution. One of its fundamental guiding principles was that it should be autonomous and self-regulated; there was never any legislation on the PB, it drew up its own rules and could modify them at will, and neither the representatives of local government nor of the party had any direct say in the matter.

Secondly, and again unlike the PB in Porto Alegre, the Communal Councils do not have sovereign decision making power over 100% of local budgets (another of the cardinal principles of the Porto Alegre experience, although one that was only partially exercised). In fact the money that Venezuela's communal councils discuss and spend comes in lump sums allocated directly by the Presidential Commission for Communal Power – a total of about \$ 1.6bn last year, and around twice that this year. They do not control existing public budgets and it remains unclear what relationship they will have with resources and administrative structures that currently come under the elected mayors, governors and local assemblies – whether they will begin to absorb and supersede these or merely exist alongside them.

Both of these problems are partly a result of another. In spite of the explosion of all kinds of local mobilization in recent years, Venezuela has neither a tradition of strongly organised social movements nor a mass revolutionary, or even just class-struggle, party, which can organise such initiatives. To some degree the 'Chavez phenomenon' stands in for both.

This is why the call to build a new United Socialist Party (PSUV) is potentially such an important step. It might just be the best way of moving beyond the reliance on one central leader. But only on the condition that it is a genuinely open and democratic party, and not some monolithic instrument for relaying decisions that have already been taken. This is a big challenge for Venezuela's several small currents and parties that already identify themselves as marxists or socialists. The most important of these from an explicitly revolutionary marxist tradition – the PRS or Revolution and Socialism Party which includes the central leaders of the currently divided UNT trade union federation – has just split over the issue, with some of its best known leaders opting to join the PSUV project, while others have decided to remain outside. In our view the former group are absolutely right to argue that this opportunity must not be missed and that it is precisely because there are real dangers of the project being hijacked by some of the old bureaucratic elements that revolutionaries must fight to ensure that the PSUV is fully democratic and does not include representatives of the Venezuelan capitalist class or the new bureaucracy that has been undermining the Bolivarian revolution from within. This is very similar to the fight waged by comrades of the Brazilian section of the FI in the 1980s to develop the new PT as a "workers' party without bosses" and one which had the maximum internal democracy, with full rights for tendencies, the proportional representation of minorities in the leadership, a 30% quota for women, and so on – a fight that was largely successful and played a key part in making the PT such a beacon for the international left for a decade or more.

To sum up, there would seem to be three immediate and medium-term challenges facing the revolutionary process in Venezuela. 1) Can the new party become a real, mass revolutionary party – which means can it provide a thoroughly pluralist, democratic space for organising and co-ordinating the activity of all sectors and currents of the Venezuelan working class (in its broadest sense) and other oppressed sections of society? 2) Can the exemplary experiences of workers' co-management with workers control, begun in ALCASA and elsewhere, be extended through much wider sections of the public and private sectors? And can these begin to link up with and involve the Communal Councils and other forms of popular territorial power in



exerting democratic control over workplaces and the wider economy? 3) Can the new Communal Councils become real centres of popular power, taking on sovereign decision-making power over all aspects of local and regional budgets and development plans? And can these bodies link up nationally to build a new kind of state that defends popular interests.

In other words, the immediate challenges are democratic. They point towards the radical extension of participatory democracy beyond the formal political sphere into every nook and cranny of the social edifice. And that of course is what socialism – before, during and after the 21st century – was always meant to look like. An unprecedented deepening of democratic rights. Looked at in this way, the question of nationalizations and the expropriation of private capital becomes a natural consequence rather than a pre-condition. For as soon as capital ceases to be controlled by capitalists, but rather is submitted to the democratic decisions of the workforce and the community, locally and nationally, then it ceases to function as private capital and begins to obey a very different logic – that of human needs and potential, and just as urgently now, that of environmental survival. And the journey between these two points is also one of the things the theory of permanent revolution set out to analyse, some one hundred years ago.