REUTERS/David Mercado (BOLIVIA)

*Bolivian President Evo Morales holds a tin ingot during a ceremony in Vinto tin smelter in Oruro, some 210 km (130 miles) south of La Paz, February 16, 2007. The president nationalized the Vinto tin smelter this year in the latest step in his drive to increase state control over natural resources.*

By Dan La Botz

# LATIN AMERICA LEANS LEFT

## *Labor and the Politics of Anti-Imperialism*

After almost twenty years of living with the Washington Consensus of free trade policies, a broad opposition to the political economy of neoliberal globalization developed throughout Latin America in the late 1990s. As the Inter-American Regional Organization of Workers (of the ICFTU) meeting in Cochabamba, Bolivia, in December noted, "The victories of Evo Morales [in Bolivia], Lula [in Brazil], Chávez [in Venezuela] and Rafael Correa in Ecuador, create an opportunity for the establishment of an integration process different from the neoliberal model … and an opportunity to confront the free trade agreements that are being negotiated in the region." Some workers see an opportunity to build a more humane capitalist system, while others see a chance to construct socialism in Latin America. Whatever their long-term political agenda, all see opportunities in the present dynamic situation to advance workers' interests.

The change in Latin America has been driven by massive protests involving general strikes, sometimes violent uprisings, and a left-wing military coup. By 2006, these protest movements brought to power new left-of-center governments in several countries. The presidents elected in Argentina, Bolivia, Brazil, Ecuador, Nicaragua, Venezuela, and Uruguay in this period came to power by opposing, at least nominally, the free market policies pushed upon them by the United States and the world

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financial institutions—the IMF, World Bank, and WTO. While the visions, programs, and actions of these governments vary significantly, taken together this development represents an important shift in the politics of Latin America vis-à-vis the United States and its free trade agenda. More important, this block of nations and peoples represents a search for an alternative to the destructive and dehumanizing regime of savage capitalism masked by the term globalization.

Working people, organized in many fashions, have been pushing from below to create governments that will stand up for them against Washington and the international financial institutions. The shift leftward has been anything but simple, and the labor movement is far from being the only factor. Unions as we know them are not the only, nor even necessarily the most important, organizations of working people. In Latin America, labor unions exist in complex relations with many other social movements and political parties, and sometimes with armed guerrilla movements and left-wing military officers. Relations between unions, peasant organizations, indigenous movements, and left political parties are complex and dynamic and each nation's experience is unique. Only in Brazil has the labor movement been central to the political shift, while in other countries military leaders with broad popular followings, indigenous people, or even students have been more important. Labor and social movements have used tactics and strategies ranging from protest demonstrations and strikes to national uprisings that verged on becoming revolutionary upheavals. So far, these efforts have only been partially successful in modifying the neoliberal model. Yet, the situation in these countries remains dynamic and labor unions can and often do play a central role.

## FROM POPULISM THROUGH MILITARY DICTATORSHIP TO NEOLIBERALISM

In the period between 1930 and 1970, Latin America underwent a profound transformation from a mostly rural to a mostly urban region. Power shifted from the old elite, the iron triangle of landowners, military leaders, and the church, to new social forces: industrialists, the urban middle classes, and the working class. Under the pressure of the worker's movement populist leaders such as Getulio Vargaz in Brazil, Lázaro Cárdenas in Mexico, and Juan Perón in Argentina carried out reforms that brought a higher standard of living to workers and peasants. Governments like these nationalized important national resources such as oil, and created a nationalist economic model based on a mixed economy with a strong state sector and significant social programs such as workers' health insurance.

After the Cuban Revolution of 1959, the United States, with its Cold War ideology, clamped down in Latin America. Between 1965 and 1985, the United States supported right-wing military coups in the countries of the southern cone: Brazil (1965), Chile (1973), Uruguay (1973), Argentina (1976), as well as authoritarian or military governments in Guatemala and in countries in the Caribbean, as a bulwark against communists and radical nationalists. Under the military dictatorship, unions were repressed, and many union leaders and social movement activists were jailed, tortured, and killed.

The U.S. push for an elite-led democratization and for the neoliberal market model began simultaneously around 1985. This was not

a return to the Latin American democracy of old: the conservative political parties who came to power would represent the domestic capitalists who would profit by the neoliberal model. The new democratization relied heavily on the mass media, marketing, and American consultants, and debilitated the nationalist-populist parties and their powerful labor organizations. The weakening of labor unions paved the way for the grasp of global capital.

Introducing the neoliberal model, nevertheless, still involved massive economic and political pressure. The International Monetary Fund imposed structural adjustment programs: cutting budgets, ending state subsidies and demanding privatization. International trade agreements and treaties such as the Caribbean Basin Initiative (1983), Mercosur (1991), the North American Free Trade Agreement (NAFTA, 1994), the Caribbean Basin Trade Partnership Act (CBTPA, 2000), and the proposed Free Trade Area of the Americas, opened up free trade between various American nations. The result of these developments was the reassertion of the power of capital over labor within the framework of the neoliberal model.

## THE IMPACT OF THE NEOLIBERAL MODEL ON SOCIETY AND LABOR

GLOBALIZATION BROUGHT DRASTIC CHANGES TO Latin American economies and societies and particularly to industry-labor relations.[1] Markets were opened, even to foreign investors with up to 100 percent ownership, state-owned firms were privatized, industries were deregulated, social budgets and government subsidies cut, labor unions attacked, industrywide pattern agreements dismantled, contractual working conditions were made flexible, and subcontracting increased. As unions lost power, the collective bargaining system was transformed; the governments and employers "changed the rules of the game."[2] At the same time, old machines were scrapped and new technologies introduced together with new forms of organization of production, eliminating or disrupting preexisting informal workplace relations and union structures on the shop floor. The worker who did not lose his job often lost his workmate and found his routine broken and his life altered.

*By 1997, 45 percent of all Latin Americans lived in poverty … [and] millions of workers began to migrate, first to the cities of their own nation, then [abroad] …*

All this had profound consequences: noncompetitive firms closed, and in some places entire industries perished, new export processing zones (maquiladoras) were established, though still the number of industrial jobs declined, and unemployment rose. As male industrial workers were losing jobs, 33 million women entered the Latin American labor market between 1990 and 2004, coming to make up 40 percent of the economically active population in Latin America.[3] Wage differentials

grew between the better educated skilled workers and the uneducated and unskilled.[4] Millions of workers, men and women, found employment only in the informal sector, an illegal and underground economy without labor unions or any form of social insurance (health and pensions). In much of Latin America the informal economy came to make up between 25 and 40 percent of all employment.

By 1997, 45 percent of all Latin Americans lived in poverty, and, in some countries, extreme poverty, characterized by malnutrition and the deterioration of health, affected 20 percent of the population.[5] Faced with such conditions, millions of workers began to migrate, first to the cities of their own nation, then from one Latin American nation to another—in South America to Argentina or Venezuela and in Central America to Mexico—or, leaving Latin America, to the United States or Europe. By 2000, more than 35 million Latin Americans—two-thirds Mexican—had reached the United States where they made up 13 per cent of the population.[6] Ten percent of all Mexicans left their country—about 10 million people went to live in the United States between 1965 and 2005, the greatest emigration in the nation's history.

*… within ten years of the introduction of neoliberalism, the power of the old Latin American labor federations had been devastated.*

## THE TRANSFORMATION OF LABOR AND THE LEFT

In much of Latin America since the 1930s or 1940s a corporativist polical-labor system, that is, a system where political parties controlled the labor unions, had existed. Powerful nationalist-populist political parties—the Peronists (Justicalistas) in Argentina, Democratic Action (AD) in Venezuela, the Institutional Revolutionary Party (PRI) in Mexico—had dominated the official labor federations: respectively, the CGT, the CTV, and the CTM. During those years, loyal union bureaucracies had privileged positions, and unionized workers enjoyed job security and relatively higher wages as well as access to subsidized food and housing. Workers in heavy industry or public employment often had lifetime job security even if in their bureaucratic and corrupt unions they did not enjoy democratic rights. Independent, democratic, leftist, and militant unions and workers, however, were punished for their impudence by being marginalized in this system.

Yet, within ten years of the introduction of neoliberalism, the power of the old Latin American labor federations had been devastated. During the period from 1985 to 2000, in most countries of Latin America, the old nationalist-populist parties turned to the right, and as they did so they lost control of the labor movement. The official confederations then broke up into rival federations, with politics left, right, and center. The working people at the bottom of these societies struggled against the neoliberal policies adopted by virtually all parties and governments. But they did not always do so through the old labor unions; in fact, often they created or adhered to other vehicles of

struggle. The cases of Brazil, Venezuela, Argentina, and Bolivia show some of the different ways that unions and the new left governments interact.

## BRAZIL

The pioneers of the new left political movement in Latin America have been the Brazilians. Lula and the Workers Party (PT) came to power in Brazil out of a decades-long struggle against military dictatorship. Lula himself was a metal worker, the leader of the Metal Workers Union and of the new Brazilian labor federation, the CUT, founded in 1983. To many Lula appeared as a kind of tropical Eugene V. Debs, a workingman with a worker's vision of democracy and social justice. During his first term, his government gave more than 500 million dollars to the poorest Brazilians through his family basket plan (Bolsa Familia). Under Lula, Brazil raised workers' wages significantly. The PT government in Porto Alegre created a "participatory budget," a process by which community representatives worked with the city council to develop the budget. In other areas, the PT has promoted People's Assemblies as a form of participatory democracy, a people's government. At the same time, however, Lula has disappointed another arm of the labor movement, the Movement of the Landless (MST), which wanted him to support a more radical agrarian reform. While Lula's government was supposed to benefit workers and the poor, ironically, it was the Brazilian banks which did best during his first government and became his biggest supporters during his second campaign. Critics argue that it has been the banks, contractors, and mining companies that have profited, while labor union strength has not increased and workers lives have not improved.[7]

Yet, in the end, confident that Lula was making necessary concessions to international capital, the CUT, the MST, and the PT all supported Lula's second campaign, giving him a solid victory. Most Brazilians agreed with Leonardo Boff, the activist and proponent of liberation theology, who stated in an interview recently that Lula in Brazil "had obeyed the principles of neoliberalism." "But in terms of social questions there have been changes, a break with the past. Never in the history of Brazil has so much been done for the poor, social polices developed, hope has been created among brothers who used to eat once a day and now can eat well."[8]

## ARGENTINA

In Argentina, Saúl Menem, president from 1989 to 1999, faced with an economic crisis of hyperinflation and recession, carried out a shock program of liberalization. Menem pegged the peso to the U.S. dollar, privatized state companies including oil, gas, electricity, water, and the post office. When the Mexican

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economic crisis of 1994 spread to Argentina it led to the collapse of the country's economy, a long, drawn out and agonizing experience lasting from 1997 to 2002. Menem's successor, Fernando de la Rua, presided over the final disaster until he was driven from office in December 2001 by massive popular protests. An interim president, Eduardo Duhalde, took over in what some saw as a kind of coup, and held power until the elections of 2003.

*In the 2003 election [in Argentina] … Néstor Kirchner … won the election without the backing of the unions.*

In the 2003 election unions broke with their history and instead of voting as a block for the Peronists (Justicilistas) as they usually did, divided their votes among the presidential candidates of the different factions of the Peronists. Néstor Kirchner, a little-known provincial governor, won the election without the backing of the unions. Nevertheless, once in power, he began to recreate the former corporativist relationship between the Peronist party and the CGT. In particular, he gave strong support to Hugo Moyano, who in July 2005 became the leader of the federation.[9]

Kirchner and Moyano worked together from above to reconstruct the corporativist structure, a process aided by the bureaucratic and corrupt practices of many unions. Nevertheless, union stewards' councils and activists organized and carried out strikes and won important victories. The telephone workers union, FOETRA Buenos Aires, forced Telecom and Telefónica to incorporate hundreds of temporary and part-time workers into the regular workforce. Workers in the Buenos Aires Metrovías subway system won a shorter workday, higher wages, and the incorporation into the union of maintenance workers. Others—railroad workers, teachers, commercial workers and government employees—created new forms of discussion and coordination.[10] A report from the Labor Education Workshop (TEL) in Buenos Aires notes, "Most of these union struggles have been led by the workers themselves organized in stewards councils with little participation from the official union structure." In Argentina, an independent labor movement appears to be in the process of rebuilding from the ground up. Whether it will become strong enough to challenge the neocorporativist structures and become a force independent of the government remains to be seen.

## VENEZUELA

In Venezuela, the change in society came from radicals in the military. In 1989, populist president Carlos Andrés Perez of AD announced the "Great Turnaround," a shock liberalization program. The AD's own CTV federation called the country's first general strike and won some concessions.[11] Nevertheless, economic nationalism had been superseded by neoliberalism and things began to unravel. The elite's economic program exacerbated conditions and eventually led to food riots and popular protests in every city in the country in the country in 1989. A labor-based radical movement, Causa R, and a socialist party, the Move-

ment to Socialism (MAS), both put forward socialist programs in this period. However, it was a military coup led by Col. Hugo Chávez in 1992 that, though it failed, captured the imagination of the country's working classes and poor people. Chávez became a hero. Freed from prison by president Caldera in 1994, Chávez organized the Bolivarian Revolutionary Movement (MBR), and in December 1998 was elected president, and subsequently reelected in 2000 and 2006.

Hugo Chávez became the leader and inspirer of a working-class socialist movement in Venezuela. Yet, Venezuela's labor unions have not been central to Hugo Chavez's populist government. "The Chávez government has given greater freedom for union organization and it has conceded some political, social and economic gains," says UNT leader Stalin Pérez Burgos. "Nevertheless, the base of the government is made up of the poorest groups and it has made the greatest concessions to them."

The Federation of Venezuelan Labor (CTV), to which most unions were affiliated, remained aligned with the AD, supported the AD-COPEI (Social Democratic-Christian Democrat alternation in power) partnership, and opposed Chávez. The CTV's participation in April 2002 in the coup led by the Venezuelan Chamber of Commerce and backed by the United States that briefly overthrew Chávez, and then the CTV's role in the December 2002 "economic coup," the general lockout and strike against the Chávez government, discredited the old labor federation in the eyes of many union leaders and workers. Several unions left the CTV to form the National Union of Workers (UNT), supportive of but not controlled by Chávez. At the same time, several other important unions remained independent of both federations. In its second national congress held in September 2006, the UNT split into a majority faction that wanted to remain relatively independent of Chávez, and other factions that wanted to be *chavista.*[12]

"The strategy of the Venezuelan workers today is to consolidate their principal gain so far in this process: the National Union of Workers," says Pérez Burgos. "In order to consolidate the UNT there must be democratic elections by the rank and file. These elections should have been carried out two years ago, but bureaucratic groups within the UNT and leaders who want to mortgage the new federation's independence have refused to hold the elections. The class conscious and autonomous groups within the union demands free and direct elections. If the UNT can be consolidated as an independent organization, it will become the great social movement that pushes forward the struggles for the rights of workers, and the beacon leading the Venezuela revolution to real socialism, a socialism which today does not exist outside of the speeches that Chávez gives in its favor."

*Hugo Chávez became the … inspirer of a working-class socialist movement in Venezuela. Yet … labor unions have not been central to [his] government.*

For Pérez Burgos and many union activists in Venezuela, the key issue is workers' control, by which they mean workers actually running firms and factories. Chávez has rejected a joint government-union management of the state oil company which remains under state control. In the aluminum industry, Chávez has permitted a German Social Democracy-style company-union co-management. Some 1,200 business have been abandoned by their owners in recent years, but only a small fraction have been occupied by workers, only twenty have been nationalized, and only a handful are under workers' administration or co-administration.[13] The situation remains dynamic, however, as workers pressure the government to take control of the plants. "Workers demand workers' control of both state and private enterprises," says Pérez Burgos.

Venezuela has entered into a process that may go further than social liberalism, though at present it remains unclear whether Hugo Chávez will lead the nation to socialism, as he says. Chávez recently nationalized the energy industry as part of his plan. Such experiments in the past, such as the nationalizing of the same telephone company in the 1950s by the dictator Marcos Pérez Jiménez, and the nationalization of the oil company in the 1970s by the populist Carlos Andrés, did not lead in a socialist direction. Chávez has also began to give more power and funding to local communal councils, saying this will lead to socialist cities. At the same time, Chávez has called for all of his supporters to unite in a single leftist party, a move criticized by some other leftists and labor unionists who say they fear that such a conception of a march to socialism could lead to the kind of dictatorial one-party state found in the former Soviet Union and in Cuba.

## BOLIVIA

President Evo Morales of Bolivia came to power on the shoulders of movements of indigenous people, coca farmers, and new radical unions, though they are not labor unions in the traditional sense. The historic Bolivian labor unions, particularly the Bolivian Mine Workers (FSTMB) and the Bolivian Workers Central (COB) played an important role in the revolution of 1952, and thereafter in every struggle for democracy and social justice in Bolivia. Beginning in the 1980s, however, the tin industry began to decline and together with it the power of the mine workers. In 1985, president Victor Paz Estenssoro introduced the New Economic Policy, a shock therapy application of liberalization. A series of strikes against privatizations between 1989 and 1993 were violently suppressed, weakening the power of the old union movement.

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As the old union movement based in the mining district of Oruro and the capital city of



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La Paz declined, other areas became more important. El Alto, originally a shantytown suburb of La Paz, grew to a population of 800,000, about 80 percent of them Aymara Indians. In El Alto, the Regional Workers Center (COR-El Alto), and the Federation of Neighborhood Councils of Al Alto (FEJUVE), gave leadership to a broad popular and radical movement of working people and communities. These are not, however, traditional workers; 70 percent of working people in Al Alto are self-employed. At the same time, the coca producing areas around Chapare grew in importance and the coca farmers created a union, the Sindicato de Cocaleros, which elected as its president Evo Morales.

Power in the labor movement was shifting from industrial and service workers unions to public employees, sweatshop workers in light industry, workers of the informal sector, small farmers, and above all Bolivia's Aymara Indians. The Federation of Agricultural Workers Unions of Bolivia (CSUTCB), a union "of the 12,000 communities," is both an indigenous people's movement and an agricultural workers union. The union's members claim descent from the Inca and other indigenous peoples, and blame Spanish conquest and colonization and the Creole republics for their long history of exploitation and oppression.

The new movements that developed in the 1980s and 1990s came into direct conflict with their government and with multinational corporations. The privatization of water, turned over to a consortium of companies led by Bechtel, led to a series of massive demonstrations in 1999-2000 known as "the water wars." In October 2003, El Alto's plebeian masses descended on La Paz to drive out President Gonzalo Sanchez de Lozada, and did the same again in June 2005 to force from power his successor Carlos Mesa. In the elections held in December 2005, Evo Morales, leader of a party called Movement to Socialism (MAS), was elected president. Since his election Morales carried out a kind of quasi-nationalization of Bolivia's gas and oil industry on May 1, 2006, and pushed through parliament an agrarian reform program in November 2006 that will lead to the distribution of 77,000 square miles of land to impoverished peasants. While union support played some role in his election, Morales does not give expression to the union movement, nor do the unions give him uncritical support. A populist leader with a vague program of indigenous socialism, he is sometimes supported and sometimes challenged by the old and new unions that helped to bring him to power.[14] Morales's government has, for example, sometimes supported small workers' cooperatives that are allied with multinational investors against the Bolivian Miners Union which demands that all minerals be nationalized by the government mining company.

The Indians base their political positions on a kind of Indian communitarianism or socialism, and claim sixty years of labor union organization. For Indians, the struggle for autonomy goes hand in hand with the struggle for control of the country's national resources. The indigenous movement and its labor unions have been among the forces that pushed Evo Morales to a quasi-nationalization of gas and oil.

At the moment, Latin America represents a test of the ability of workers, through traditional labor movements, indigenous organizations, and organizations of the urban poor to build a mass social movement and a political party that will carry out a program that speaks to their interests. So far, the move-

ments have succeeded in driving out conservative presidents and governments and bringing others to power. Still, the various governments continue to operate within the neoliberal rules that govern the global economy. Some, like Evo Morales in Bolivia and Hugo Chávez in Venezuela struggle to gain time and political space, others like Kirchner and Lula appear to be following the path of least resistance. Workers in Latin America, especially in Bolivia and Venezuela, feel optimistic about their chances of bringing about meaningful social change, which to many of them means putting working people and the oppressed in power. Since the 1950s, attempts by Latin Americans to democratically change their governments have inevitably led to U.S. intervention. Their ability to build a better future, then, will ultimately depend not only upon themselves, but also upon solidarity from abroad, most important, from workers and unions in the United States. ■

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