

Latin America: Class Struggle from Above and Below

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“Class struggle is the motor-force of History”

Karl Marx

Introduction

One looks in vain among the writings of historians and social scientists for any systematic study of the role of class struggle in the determination of economic systems, class structures and state power.

Yet social classes are ever present in each and every discussion of the distribution of income, the concentration of property, representation in the state and in establishing the lead actors in economic paradigms.

To move beyond ‘class analysis’ as simple points of reference in static structures and to see classes as changing, dynamic actors whose action shapes and reshapes the social, political and economic institutions through which they act and react, we have to turn from passive class analysis (seeing classes as the ‘recipients’ of economic goods, state decisions and social action) to classes-in-action, specifically class struggle. In the course of our analysis of class struggle, we will extend “class” to mean ‘social communities’, indigenous people, unemployed and informal workers.

Conceptualizing Class Struggle

A survey of major professional political, sociological and economic journals over the past half-century fails to turn up a single theoretically informed study of class struggle

anywhere. Even the few publications which purport to study “revolution” marginalize or omit the central role that class struggle in its varied forms plays in the success or failure of popular upheavals.

To approach the role of class struggle in a dynamic *milieux* we will focus exclusively on Latin America over the past two and a half decades 1990 – 2014, a period of significant changes in economic models, political regimes and class structure.

To properly address the centrality of class struggle (CS) it is important to clarify several misconceptions. CS is not merely a phenomenon of the working or peasant class. Among the most active, organized and combatative social classes engaged in class struggle are bankers, manufacturers, plantation owners, commodity traders and other ‘owners of the means of production’. In Latin America, some of the more militant participants in the class struggle are ‘middle class’ public employees: teachers, health employees and municipal workers.

To clarify the polarity of classes engaged in class struggle, we refine it by distinguishing between class struggle “from above” and class struggle “from below”. CS “from above” includes the principal owners’ of the major means of production, distribution and financing. CS “from below” includes both private and public employees, wage workers, peasants, unemployed and afro-indigenous people.

In other words while class struggle is the “motor force” of history, the political and economic direction and societal configurations are a result of which “classes-in-struggle” succeed in imposing their class interests.

Moreover, we have to make a further distinction, especially central to the present period: class struggle ‘from above’ includes two important sub groups: domestic and foreign capitalists. So that we need to expand class struggle from above to include “from the outside” since US-EU-Japanese multi-national capitalists and their state institutions are intensely engaged in class struggle in Latin America.

Our analysis of class struggle takes account of complexity and dynamism: of changing class actors, the intensity and changing context of class action, the ebbs and flows of class struggle and the shifts in the correlation of class forces.

We view the actions and composition of the regime and state as both a product or outcome of class struggle and as essential actors in determining the direction of class struggle.

Imperial Globalization and Class Struggle

In the era of imperial globalization, international class forces, political and economic, play a major role in the class struggle. In Latin America the US ,Canadian and European imperial states and multi-nationals and self-styled international financial institutions play a major role, especially in the “class struggle from above” by imposing economic paradigms (“neo-liberal economies”) and policing them via “structural adjustment policies”.

In opposition, the emergence of Latin American centered regional organizations like ALBA, Petro- Caribe, MERCOSUR, serve as a counterweight to some policies of imperial centered international organizations.

Key Dimensions to Measure Class Struggle

Analytically, class struggle takes place along various axis:

1. Intensity: the frequency and degrees of class based mobilizations and actions and their impact vary by time, duration and place.

High intensity class struggle from below would include insurrections, general strikes, large scale road blockages, extensive land and/or building occupations.

High intensity class struggle from above would involve imperial invasions, military coups, employer lockouts, large scale hoarding, repeated sabotage of vital infrastructure, systematic disinvestment and prolonged austerity programs.

2. Scope of class struggle;

Class struggle from below or above can range from narrowly based economic sectors, (a single enterprise or trade union) in a limited regional area, over immediate demands through limited actions (time bound strikes) to broad based national collective actions of workers or employers engaging in economy wide demands backed by sustained action.

3. Targets of Class Struggle

Targets of class struggle can vary from single employers or trade unions to the entire class, or the state. The objectives may vary: for workers the objectives range from simply defending existing working conditions and wages, to reforming labor codes and improving welfare benefits, to transforming the social system. For capitalists the class struggle varies from resisting wage increases, to imposing structural adjustments which privatize public

enterprises, reduce labor costs and facilitate firings (so-called “flexible labor”) to coups which overthrow populist, socialist and progressive regimes.

4. Methods of Struggle and Outcomes

Radical means of struggle, including popular uprisings, coups, occupations and lockouts frequently, but not always, lead to an escalation of demands: “class consciousness” is raised in the course of struggle and the political and social horizon is extended. However, in other circumstances, seemingly radical actions become ‘ritualized’ and lead to negotiated settlements involving incremented changes. In some cases radical political action is ‘co-opted’ by more moderate electoral politicians : after some radical initial promises they adopt measures of co-habitation with existing ruling elites. The idea of an “inner logic” to class struggle which moves inexorably toward large scale changes has been demonstrated to be false.

Class struggle does not move forward as a continuous ‘permanent’ process; it is contingent on a multiplicity of internal and external circumstances which include organizational and leadership capacity.

Evaluation of the Results and Perceptions of Class Struggle

Our study will focus on a specified time frame and select group of country-experiences. This allows us to measure the degree of success and failures of the opposing classes engaged in class struggle. We can distinguish between total, partial and marginal success or failures based on the objectives set by the protagonists of the class struggle. We can specify several levels of achievements. These include organizational, policy and systemic achievements.

1. Strengthening of class organization, including quantitative increases in participants, quality and efficacy of leadership and cohesion – unity of class in action.
2. Improvements in living and working condition (for workers); and vice versa for capital: improvements in conditions for maximizing profits, increasing market shares, easy access to credits and low interest loans, lowering labor costs.

3. Policy Changes

Favorable welfare legislation and regulated labor markets for wage and salaried workers and free market policies, deregulated capital and labor markets for capital.

4. Structural Changes

States with extensive public ownership, social welfare provisions, graduated progressive taxation for labor versus a privatized economy, low and regressive taxation with budget allocations favoring large scale subsidies and tax incentives favoring agro-mineral exporters for capital.

5. Strategic Changes:

Development strategy based on food security, agrarian reform, redistribution of income, credit and loans for small producers and deepening diverse domestic and regional markets versus a strategy promoting agro-mineral exports, dependent on foreign investment and finance.

6. Systemic Changes

A state representing the interests of labor as reflected in substantial equality of income, substantial public ownership of key economic sectors and high levels of worker representation in the state.

For capital a state which promotes private foreign and domestic capitalist concentration of ownership, deepens social inequality, limits the social organization of labor, and is exclusively responsive to and represents capital in the design of economic strategies, budgeting and fiscal policy.

By examining the class struggle in the context of who gains and who loses in terms of the distribution of goods, services, legislation and organization we can develop an operational hypothesis about how effective class struggle is for capital and labor in contemporary Latin America. And in the course of concluding, test out Marx's idea that "class struggle is the motor force of history".

Two Decades of Class Struggle in Latin America: Heterogeneity, Advances, Retreats and Dynamic Equilibriums

Most of the dynamic class struggles over the past two decades have taken place 'outside of the factory workplace'. While tens of thousands of landless rural workers in Brazil have occupied large estates, and Indian communities in Peru, Ecuador and Bolivia have fought pitched battles with big mining companies over contamination and dispossession of land and water resources, no comparable worker occupation of factories have taken place.

Between 1990 – 2005 advances in the class struggle from above have alternated with substantial gains for the protagonists of class struggle from below.

The period between 1990 – 2000 witnessed a major successful advance in the class struggle from above. In most Latin American countries – but not all – foreign and domestic capitalist classes directly and via their neo-liberal state, succeeded in transferring over 5,000 public enterprises to private foreign and domestic capitalists, including most strategic resources.

The capitalist class's share of national income shifted drastically in their favor ... Labor was in retreat- flexible, labor policies were adopted, strikes and protests were violently repressed. Structural adjustment policies were imposed via the IMF – World Bank and IDB – which facilitated foreign takeovers of national banks, telecommunications and other strategic sectors at bargain basement prices. Ruling class “neo-liberal” ideology promising free markets, free elections and prosperity held sway over the middle class and enabled neoliberal elites to win elections in Argentina, Bolivia, Peru, Brazil and Ecuador. Structural adjustment policies in Venezuela were imposed by blood and fire – the Perez regime massacred several thousand protesting unemployed and poor people.

The successful outcomes for local and foreign neo-liberal capitalist classes during the decade of the 1990's led to a belief that this ‘model’ was the “end of history”, instead of the product of a particular moment in the economic cycle and a specific correlation of class forces.

This ruling class illusion would have profound consequences in the next decade following the crises of 2000, the breakdown and discrediting of the neo-liberal model and the upsurge of the class struggle from below. The overthrow and defeat of the neo-liberal regimes and the relative advance of the “popular forces” established, in most cases, a new post-neo-liberal configuration of regimes and changes in the correlation of forces.

The imperial powers, especially the US, Canada and the EU refused to recognize and adapt to this new configuration and adopted policies and strategies to reverse this process and re-impose the 1990's 'neo-liberal model'. As a result of this 'nostalgia for the nineties' they suffered a series of defeats during the first decade of the 21st century in Venezuela, Bolivia, Ecuador and Argentina. The ruling classes only succeeded via a military coup in Honduras and a civilian putsch in Paraguay. However, by the latter part of the decade the capitalist class went on the offensive and regained ground in some countries.

The ascendancy of the class struggle from above in the 1990's was not universal: in Colombia the armed class struggle of the FARC advanced from the countryside to the periphery of major cities. In Venezuela a military-civilian uprising in 1992 was followed by mass mobilization from below leading to an electoral victory for the popular classes in 1998 with the election of Hugo Chavez.

The economic breakdown and crises of the neo-liberal model at the end of the 1990's, the gross pillage of the public treasury, the rising rates of impoverishment, social polarization and the massive rise of unemployment and informal 'employment, combined to ignite large scale social uprisings and mass movements. In a word the class struggle from below went on the offensive: through popular uprisings (Bolivia, Ecuador and Argentina), social mobilizations linked to elections (Brazil, Venezuela, Uruguay and Peru), the incumbent neo-liberal electoral regimes were toppled or replaced.

The class protagonists (the leading forces') in these struggles, however varied according to country. The political and social composition of those engaged in the class struggle from below differed significantly from the center-left political parties and leaders who benefited from the struggle. Moreover, the political-economic changes implemented by the "post neo-

liberal” regimes differed markedly from the programs and demands that ignited the class struggle from below.

For example, in Bolivia the major popular social movements which led to the overthrow of the Sanchez de Losada and Mesa regimes were markedly different in composition and progmatically from the leadership of the Movement to Socialism (MAS) party regime. Workers, the unemployed, informal workers, Indian and peasants spearheaded the uprising. But lower and upper middle class social liberals and technocrats designed and implemented economic policy. Mass demands for the nationalization of mines, radical agrarian reform and a class based ‘constituent assembly’ were replaced by the MAS leaders by joint ventures with foreign capital, the promotion of agro-business and a constituent assembly based on ‘territorial constituencies’. Similar economic divergences occurred in Argentina and Ecuador between the anti-neo-liberal regimes composed of middle class leaders and the popular classes. The political elites diluted the policy outcomes of the class struggle from below.

The retreat of the capitalist class, the displacement of the US backed neo-liberal regimes and their replacement by new pro-capitalist social liberal regimes with political and organizational ties to the popular class organizations, led to a relative equilibrium of class forces (labor and capital) in the cities and industries.

Class Struggle from Below: The Transition from Advance to Equilibrium 2010 -2014

The period 2010-14 witnessed a decline in class struggle from below in several senses. The demands were narrowly focused on wages and salaries and not ‘structural’ changes. The modes of struggle shifted to “tripartite” negotiations rather than mass action. The

popular struggles were fragmented by sectorial interests (public-private, mining-industry, peasant-Indian) rather than unified by class interests. Neither labor nor capital were decisively defeated nor wholly victorious during the ascendancy of the center left regimes. Class struggles, extensive and intensive, persisted, but only for limited moments, in few countries and circumscribed circumstances.

In Bolivia, the capitalist class and the US imperial state made an effort to destabilize the MAS regime by mobilizing the Santa Cruz elite. They were defeated in mass mobilizations and military loyalty to the regime. Subsequently, the MAS regime negotiated an economic pact with the national and foreign capitalist class to promote ‘production, investment and growth’ on the one hand, and a social pact with labor union leaders (COB) to increase wages, especially the minimum wage and other incremental changes. For all intents and purposes, class struggle from above ended because the regime incorporated the program of the capitalist class as its own. The class struggle from below was confined to the economic demands of public sector workers and social ecological struggle by a sector of the Indian-peasant communities.

Venezuela is the exception. Class struggle from above and below remained at the highest intensity. The capitalist class and its US imperial backers launched major assaults on state power. A military coup in April 2002, a lockout from December 2002 to February 2003; a referendum revoking the Presidency of Hugo Chavez in 2004. Sustained disinvestment in production and a sabotage campaign of infrastructure throughout the decade and a half, unlimited with a violent terrorist campaign between February – May 2014. The “class struggle from below” based on an alliance between mass movements and the Chavez – Maduro governments, defeated and rolled back the capitalist assault on power

and went on the offensive. From 2003 onward, the government backed by the popular classes, nationalized enterprises and redistributed oil rents from the overseas banks and capitalists to massive social expenditures. Thousands of community councils were organized to buttress the class struggle from below.

In Venezuela the intense class struggle reflected the deep social class polarization and political-social divisions. As a result the kind of regime-multinational capitalist pact which the MAS imposed in Bolivia was not possible. Venezuela's practice of class politics contrasted sharply with the MAS's double discourse of left rhetoric for the masses and long-term lucrative pacts with the capitalist class.

The Transition from Intense to Limited Class Struggle 2000 – 2014.

The intensity and scope of the class struggle varied in the post-neo-liberal countries. During the 'reformist phase' of the regimes and the start of the commodity boom – roughly from the early 2000's to the middle of the decade, class struggle was intense, protracted and linked to major social advances. Subsequently between 2006 - 2010 capitalists were ensured protection from expropriation, granted subsidies, export incentives and tax relief. Labor received jobs, wage and pension increases and access to cheap credit to finance consumer purchases.

With the start of the second decade, the decline of the commodity boom, the global economic crises, the growth of consumer indebtedness, and the end of large scale foreign capital flows, the class struggle from above gained importance. The capitalist class pressed for greater support and incentives; labor strikes multiplied especially in the face of rising prices and lagging wages.

In the most recent period, 2013-2014, the class struggle from above has re-emerged as an influential determinant of regime policy. In Argentina, the Fernandez government has signed off on lucrative agreements with major agro-mineral companies; effectively devalued the peso favoring agro-business exporters and turned toward greater support for foreign debt holders. The right turn of the regime, its embrace of the leading capitalist sectors, has provoked a general strike by one of the trade union confederation (headed by Moyano) and ‘road blockages’ by dissident leftist union activists. The Kirchner-Fernandez regime has come full circle: from accommodating the demands of the unemployed workers for public investments and wage increases in 2003-2006; to promoting tripartite social pacts between labor and capital between 2007-2011; to a right-turn as the commodity boom limits public resources and the capitalist class goes on the offensive.

In Bolivia, the MAS regime, came to power via mass mobilizations from below and rhetorically adopted a plurinational and nationalist agenda. However, by the beginning of the second term (2008) it pursued and implemented an open door policy to foreign agro-mining capital. Incremental wage and pension improvements and extensive cooptation of peasant and trade union leaders created a quasi-corporate state structure embellished by ethno-populist rhetoric. The class struggle from below was harnessed by the MAS to beat back coup attempts by the Santa Cruz elite in 2008-09. Subsequently the MAS moved to reconcile the elite via a political-economic pact based on the mutual accommodation of the regime and capital.

From the end of 2010 to 2014, the MAS regime has embraced a ‘developmentalist strategy’ based on attracting extractive capital, orthodox fiscal policy and the accumulation of foreign reserves managed by foreign bankers.

Paradoxically the class struggle from below has, over the past decade, led to regimes which are responding favorably to the demands of the foreign and domestic capitalist class.

The Argentine and Bolivian experiences of the class struggle follow a trajectory whereby class struggle from below gains leverage over 'center-left' regimes for several years but then gives way to class accommodation and demobilization. This is followed by the revival of class struggle from above and the conversion of the 'center-left' regimes into patrons and promoters of capitalist interests via "developmentalist policies".

From Social Change to 'Production Pacts: Class Struggle from Above 2014 - ?

Ecuador has embraced big oil and seeks World Bank loans to finance a agro-mineral growth model while harshly repressing the Indian movement (CONAIE) and dissident urban social movements. Even Venezuela, after passing through a decade and a half of expanded social spending and public ownership under President Chavez, has turned toward a "production pact" with capital under pressure from a violent capitalist class offensive which was launched in February 2014. The Venezuelan masses, the "class struggle from below" has responded to the capitalist offensive but is largely dependent on the Maduro government which has attempted to divide the opposition, repressing the violent sectors and offering concessions to productive capitalists and the electoral opposition.

Conclusion

Over the last quarter of a century, the class struggle has played a decisive role in the rise, consolidation and demise of contrasting economic paradigms.

Class struggle has shaped the class system; the levels of poverty and wealth; and the direction of public policy especially the distribution between public and private ownership of the means of production.

The advance of the class struggle from above in the 1990's led to the imposition of the neo-liberal model; the massive shift from public to private ownership; the concentration of wealth and the increase of poverty, unemployment and informality.

The first decade of the 21st century witnessed the advance of the class struggle from below. This led to the overthrow of neo-liberal regimes; large scale public investments in social programs; increases in wages and salaries and the reduction of poverty; the organization of new class community based ethno-ecology movements; and the selective renationalization of enterprises.

However, class struggle from below, lacking independent political leadership relied on center-left electoral politicians who 'leaned' in their direction when class pressure was stronger and turned to the capitalist class when the correlation shifted. Class struggle from below advanced furthest in Venezuela in terms of socio-economic changes. However, in no country did it lead to the overthrow of the capitalist economy and state.

The class struggle brought to the fore new and old protagonists on both sides of the class divide. Unlike earlier periods, the industrial working class played a subsidiary role, even in the more advanced industrial economies like Argentina and Brazil. The major protagonists of class struggle from below were a complex of forces situated in different socio-locations.

Despite the shifting configurations of power between capital and labor, neither has suffered a 'historic' victory or defeat over the past quarter century as happened in the

previous decades. For example the revolution in Cuba in 1959 was a decisive victory for the class struggle from below that changed the social system, state and economy for a historical epoch. The military coups in Chile (1973), Brazil (1964) and Argentina (1976) smashed working class institutions, organizations and imposed the neo-liberal economic model for over 30 years.

The result of the ‘historic defeats’ had a profound impact, even today, in shaping the class struggle. The powerful role of workers’ organizations in occupying factories, self-managing enterprises, convoking general strikes has diminished. However, that has not meant “the end of class struggle”. Now dynamic classes have stepped forward and are leading the struggle.

In Brazil million person demonstrations have marched and blocked streets, demanding that the “center-left” Workers Party regime attend to basic social services, public transportation, low cost housing and other essential needs. The urban mass struggles demand nothing less than a fundamentalist shift in budget priorities and allocations away from corporate subsidies and sports extravagances to public needs.

In Chile, mass struggles have been led by secondary and university students demanding quality free public education provided by progressive taxes on the corporate elite; slum dwellers demand an end to the worst social inequalities in the region.

In Argentina, entire communities adjoining agro-mineral mega-corporations have engaged in class warfare resisting toxic chemical farming and mining by Monsanto, Barrack Gold Mining. Urban trade unions have engaged in class resistance to the center-left regimes’ policies imposing the costs of anti-inflationary policies on labor.

In Colombia, Peru, Ecuador and Bolivia mass resistance is based on rural communities, predominantly peasants, farm workers and Indians, and challenge the state-agro-mineral alliances which are dispossessing them of land, water and clean air. They are promoting state aid for local productive activity. The traditional 'labor organizations' which formerly were in the forefront of class struggle have become, at best, the rearguard of these mass struggles.

The most significant 'labor presence' in the class struggle occurred in Argentina between 2002 – 2006 when hundreds of thousands of unemployed workers organized 'piqueteros' (roving pickets) blocked major road arteries, seized work sites and posed, temporarily, an alternative bases for political power.

The new protagonists of class struggle from below represent the principle source of resistance to the current capitalist class offensive from above. They are in search of allies in the cities, new political instruments, national organizational structures and a strategy for power.

What is clear is that the previous alignment of class struggle movements with reluctant center-left regime allies has exhausted its progressive possibilities. The center-left has embraced the agro-mining developmentalist model based on the dispossession of peasants, Indians and small producers. The center-left regimes, from being reluctant allies of labor have become accomplices of the new capitalist class offensive from above. This political shift, however, has not detained the class struggle from below nor lessened the underlying socio-economic and political conditions motivating the exploited, dispossessed and oppressed classes from organizing and struggling for social and political liberation.

