

EMPIRE AND LABOR: U.S. AND LATIN AMERICA

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Introduction

Different kinds of empire-building have different impacts on the labor force, class politics and anti-imperialist movements. A corollary to this is that the diverse structures of labor and their socio-political expression have significantly different impacts on the process of empire building.

Labor formation in diverse regions cannot be deduced from abstract global economic categories, even less so can the diverse forms of social and political action. This paper will focus on the “New Imperialism” emerging from the U.S. in the post-Vietnam, post-Soviet period, its evolving class composition, modus operandi and its impact on labor both in the U.S. as well as in Latin America. Secondly we will examine the changing nature of the labor force in Latin America and the new forms of social organization emerging to challenge the “New Imperialism”.

The New Imperialism

“Imperialism” has been with us for a long time in its various expressions and configurations. In recent times, at least since World War II, imperialism has been associated with the U.S. drive to undermine the previous European colonial system and to replace it with a new set of regimes which are ‘formally independent’ but are actually client-states of Washington. This imperial system has been described as “neo-colonialism” since the local leaders are seen as administering the state at the service of U.S. multi-nationals and banks. The U.S. “informal empire” was built and sustained by three inter-related pillars: (1) wars and military intervention, (2) covert

intelligence operation, (3) market forces, the financial clout of the multi-lateral financial institutions (IMF, WB) and the economic agencies of the imperial state (Treasury, Commerce, EXIM bank etc.). The driving forces of U.S. empire building from 1950-1973 were the U.S. MNC's and the military. From the early 1970's to the early 1980's U.S. imperial expansion was largely fueled by the MNC's, banks, surrogate military forces in Nicaragua, Afghanistan, Angola, Guinea Bissau, Mozambique and the military regimes throughout Latin America. More significantly important political collaborators in the U.S.S.R. and Eastern Europe, nurtured and financed by state and private agencies, converted the former collectivist economies into U.S. vassal states, integrated and subordinated to NATO and run by predator regimes closely linked to international crime syndicates allied with the U.S. empire.

The collapse of the collectivist regimes in the Eastern Europe and Central Asia and their subsequent conquest via collaborative predators gave a big boost to U.S. imperial drive, widening its scope to 'world conquest' – envisioned by Bush Senior's "New World Order" following the Gulf War and the colonization of Iraqi airspace and division of its territory.

The empire received greater impetus with Clinton's Balkan Wars, his nuclear brinkmanship with North Korea, and the world-wide spread of the neo-liberal doctrine. Yeltsin's Russia became a quasi-dependency of the U.S. and an arc of client associates from the Baltic Sea (Lithuania, Latvia, Estonia) through Central Europe (Czech Republic, Poland, Hungary) to the Balkans (Macedonia, Montenegro, Kosova, Albania) to Central Asia (Georgia) defined the new frontiers of Clinton's empire.

A "New Imperialism" took shape built around U.S. military outposts, Wall Street's financial speculators, client predator capitalists in the "host countries" and neo-liberal collaborators in Latin America, Africa and Asia . The end of the Cold War was the beginning of a new virulent strain of imperialism built around a sense of impunity, a unipolar power configuration in which Washington saw itself as the center of the universe.

The public policy of the “New Empire” operated through economic directives to the client-states, political blackmail and economic threats to European and Asian “allies” and military and covert actions against recalcitrant ‘independent states’.

The “New Imperialism” took a different form and substance with the ascendancy of the George W. Bush Administration and demise of Wall Streets’ speculative bubble. The driving forces backing the imperial Presidency shifted from Wall Street investment bankers to the energy/petroleum and military-industrial complex. The conservative free-marketeters of the Clinton imperial era were replaced by a cabinet dominated by ultra-right militarist ideologues. Empire building through the ‘economic components’ of the imperial state were replaced by the ideologues of permanent war, military conquests and colony-building (dubbed “nation-building”).

The “New Imperialist” became self-consciously “imperialist” – some of the spokespeople and publicists openly embraced the designation of imperial power, even as they continue to attribute to it a “humanitarian” mission. The New Imperialism in its militarist variant looks toward strategies of war, military logistic and the elaboration of a vast military and security apparatus and major increases in military spending. Economic costs and deteriorating economic conditions are given short shrift: the domestic and Euro-Japanese economic recession is ignored. War and terrorism is all that matters. A sequence of imperial wars was planned: Afghanistan, Iraq, and other designated targets --the imperial-denoted ‘axes of evil’ largely composed of states independent of the U.S.

The relative autonomy of the military component of the imperial state in relation to the capitalist class, particularly its industrial and financial sectors, has a significant impact on the labor force within the U.S. and elsewhere. The Bush regime is primarily linked to the petroleum-energy and military-industrial sectors of the economy but it secures the support of most of the rest of the capitalist class via bail-outs, subsidies, massive tax reductions and intervention on behalf of business in labor disputes. The cohesive bloc of capitalists around the Bush regime’s militarist-

imperialist agenda is strengthened by big business support for the neo-liberal policies promoted overseas. These policies provide unhindered access to markets, buyouts of lucrative privatized mines, industries and banks and favorable labor legislation that lessens social costs and raises profits. However just as German business prospered in the initial stages of Nazi imperial expansion only to run a cropper through its overextended military operations and declining economic base, U.S. imperialism has also accumulated trade imbalances, ballooning budget deficits and a stagnant domestic industrial base heavily dependent on protection, subsidies and quotas on imports. The empire grows but the republic declines and with it the social conditions of labor, both wage and salaried groups.

Imperialism and Class War in Latin America

Warfare takes many political forms and frequently policymakers combine them. In Latin America, the U.S. empire was built through surrogate military generals, one-party authoritarians and international financial institutions. From the mid-1970's onward a series of military coups physically annihilated anti-imperialist, independent regimes and class forces and put in place the military clients and socio-economic institutions which allowed for imperial banks and multi-nationals to conquer the Latin American economies. After the initial military regimes and the takeover of strategic economic positions by public and private collaborators, the Empire supported the transition to civilian client regimes which deepened and extended the process of indirect empire-building.

Empire-building has a major negative impact on labor: Military rule was sustained through state terror and led to the physical elimination of all autonomous trade unions, mental and physical trauma and exile of hundreds of thousands of skilled technical, professional and research workers, thus eliminating autonomous sources of research and development and guaranteeing imperial monopoly of these strategic areas of the economy. Privatization led to the weakening or disappearance of trade unions, massive displacement of skilled and unskilled workers, the

creation of ghost towns, and the pillage and asset stripping of many privatized firms. Workers lost many social benefits via corporate “restructuring” – which included the proliferation of short term labor contracts and a rotating labor force. The results were a massive growth of structural unemployment, a decline in living standards and the weakening of labor unions and contracts. The new private – foreign and domestic – owners were able to take advantage of the new business friendly labor legislation to further weaken trade unions and increase the income polarization between executives and foreign shareholders on the one hand and salaried and wage workers on the other. Workers lost as producers (wage, job security, social benefits) and as consumers (higher public utility, transport and health/education/pension costs).

Extortionate debt payments led to mass transfer of public resources upward and out of the country, depleting the state of public capital for financing infrastructure, public works, improved economic competitiveness, research and social welfare. The result was that employment in construction declined, shares of world markets shrank and the productive economy became subordinated to the financial sector, which thrived under the new deregulated economy.

Trade liberalization based on indiscriminant and non-reciprocal trade agreements eliminated trade barriers in Latin America which led to the invasion of subsidized imports from the U.S. and the European Union, the loss of markets by domestic producers and large scale bankruptcy of peasant and small and medium agricultural producers. In the urban sector small and medium size industries went under leading to the growth of a burgeoning informal sector and unregulated sweatshops.

The virtual collapse of the neo-liberal model led to massive unemployment, the disintegration of the industrial and productive fabric of the provinces, widespread malnutrition, the massification of urban slums and emigration overseas to low paying dirty jobs in the U.S. and Western Europe. Empire-building inverts the income pyramid with massive transfers of income and wealth going upward and out to the top 5% while the lowest 80% suffering significant losses of income.

Empire building is essentially a form of class warfare form above. The installation of military dictatorships and neo-liberal regimes are the principle vehicles to enhance the benefits for empire-based multinational corporations and banks and the local powerful financial groups. The social classes who are physically excluded from decision-making and who suffer the greatest socio-economic losses are the working class, peasantry, unemployed, salaried employees, women, indigenous people and the young.

Pillage and Exploitation

Traditional theories of imperialism describe several “stages” in which initial pillage is followed by mercantilist trade, then by an unequal international division of labor between finished goods producers and raw material exporters, followed by the “latest stage” of exchanges between low-end countries with cheap, manufacturing industries and the high tech service economies of the imperial states.

This schema is basically flawed. To understand the nature of U.S. empire-building there are several essential dimensions that are not taken into account by the traditional stage theory.

(1) The transfer of tens of billions of dollars of ill-gotten funds from Latin America through U.S. banks to the U.S.. This is a form of plunder reminiscent of the “first stage” of empire building and plays a vital role in sustaining the otherwise unsustainable U.S. trade deficit, the strength of the dollar and in the final analysis the U.S. economy. The transfer of billions of dollars of illegally secured fortunes is through U.S., Canadian and European banks (and in many cases by Euro-North American banks). The scope and depth of financial fraud and the appropriation from millions of middle class savers is of systemic proportions.

In Mexico from the early 1990’s to the end of the decade over \$100 billion in state loans to private firms were “unaccountable” (pilfered). The government intervened to bail out the banks at the tax-payers expense and at the cost of social expenditures. In the same period Ecuador experienced a \$40 billion dollar financial swindle which led to massive losses for savers and

again a state bail out of the banks. In Argentina, a \$60 billion dollar banking swindle impoverished millions of Argentine middle and lower middle class depositors of their savings and pensions.

These cases of massive fraud and transfer of funds have had a profound impact on the financial system, state budgets and class formation. In the larger financial setting the prime losers are the “markets” as retail investors lost confidence in the system and small scale borrowers were squeezed out of the credit market by the new high interest rates designed to entice overseas speculators. Secondly the state bail-outs led to a restructuring of the budget, eliminating vital social programs and a reduction of financing for productive sectors. And most significantly fraud led to the mass impoverishment of the middle class in a direct and visible manner. The effect was the proletarianization of social and living conditions of the middle class, reducing its size and radicalizing its outlook. The middle class turned to militant public protest and to social alliances with the poor. This is most graphically illustrated in Argentina where neighborhood assemblies of the middle class and pensioners have joined with unemployed picketeers in mass protests and a popular uprising.

(2) The neo-liberal strategy of empire-building has de-industrialized a significant number of countries in Latin America and returned them toward greater dependence on a limited array of agro-mineral products. The reversion to an earlier international division of labor in some countries has created an immense pool of unemployed former industrial workers, subsisting at the margins of the productive economy. The new export enclaves have introduced labor saving new technologies which facilitate greater integration via subordination to the imperial, commercial and financial circuits. Theoretically this ‘reversion’ to an ‘earlier’ form of the international division of labor calls into question linear conceptions of history which exclude the role of class relations and class struggle.

(3) The U.S.’s increase in subsidies for agricultural exports, protective tariffs on agricultural and industrial products while pursuing free trade in Latin America suggests that the inter-

American trading regime more closely resembles a mercantilist rather than a free trade empire. In other words a reversion to “stage two” in the traditional schema. The U.S. empire includes domestic electoral politics requires and political and social stability at home in order to recruit imperial soldiers, to mobilize political support and divert resources to conquest. This requires that non-competitive sectors of the economy which contain constituents influential in national or regional politics (cotton, sugar, citrus farmers, textile, steel and other manufacturers among many) be satisfied. Hence the new imperialism combines free trade that benefits its competitive sectors with protectionism for its non-competitive but politically important economic sectors. The net result is to tie sectors of the U.S. trade unions to the imperial state (in pursuit of protectionism) and the weakening of trade unions in Latin America via unemployment or via alliances with export elites demanding greater access to U.S. markets.

(4) Washington’s drive to impose the Latin American Area of Free Trade (ALCA in Spanish) involves the establishment of a trade and investment commission to oversee compliance with the treaty. This commission will be dominated and , most likely, located in the U.S. (Miami?), thus eliminating Latin American sovereignty. Neo-liberal policies have created a core group of supporters in Latin America for ALCA style recolonization. The high profile role of IFI’s in Latin American economic decision-making has already laid the groundwork and promoted the “core leaders” to implement ALCA. The key theoretical point is that ALCA provides the de jure as well as de facto setting for the effective re-colonization of Latin America, reversing the process of the last three stages of imperialism.

The recolonization process means that labor struggles are increasingly politicized and directed against ALCA as an instrument of domination. Massive peasant and workers’ demonstrations against ALCA are visible and are the best indicator of the rise of labor-based anti-imperialism. ALCA is understood by many labor and peasant activists as an extension and deepening of the neo-liberal policies which have had a catastrophic impact on living standards and working conditions.

These heterodox features of U.S. empire-building in Latin America require a rethinking of historical processes and a more nuanced understanding of the complexities of the relation of empire-building to class structure and the labor force in Latin America.

Combined and Uneven Development

Despite the above mentioned historical structural reversions in form and substance of contemporary empire-building, the retrograde relations are combined with the introduction of modern forms of production and social relations. High tech industries – much deflated and in some cases marginalized – co-exist or inter-penetrate with the growth of a huge barter economy among the impoverished millions. Landless workers and bankrupt subsistence peasants are the temporary laborers on agro-export corporate farms applying the latest in genetically modified seeds and computerized marketing. The most modern stylish clothing retailers import goods from sub-contractors employing young women workers at poverty wages in sweatshops.

White/brown/black sex slaves, including children, are exploited by organized international crime gangs who re-invest in modern real estate, T-notes and shopping malls in the U.S., Europe and Latin America.

The highly privatized economies continue in tension and warfare with powerful enclaves of state enterprises defended by militant trade unions operating in a sea of non-unionized labor. Strategic economic sectors in electricity (Mexico, Ecuador), petroleum (Mexico, Brazil, Ecuador, Venezuela) remain mostly public in a sea of privatized corporations.

Uneven and combined development also is evident in the class alliances and class relations among the labor force. Workers, in some countries, employed in strategic highly productive and high profit economic enclaves have allied themselves with mass rural movements - particularly indigenous/Indian movements.

In Mexico, high paid and unionized electrical workers support the Zapatistas while in Ecuador petroleum workers ally with militant Indians and unemployed workers movements. In contrast in

Venezuela petrol workers have joined forces with the U.S. supported right-wing business elite seeking to overthrow an elected nationalist, populist regime. In Argentina impoverished and/or unemployed middle class sectors have joined with the unemployed, while the traditional trade union confederation of metal and manufacturing workers – the CGT – is allied with the neo-liberal regime.

The combined and uneven development of the economy is evident in the overdeveloped high tech financial-speculative sectors and the de-industrialized and impoverished productive economy, the modern shopping malls and the vast barter economy, the computerized/fiber optic elite country clubbers and the dark/candle-lit malnourished barrio residents, the super-rich and the indigent. U.S. empire-building in Latin America combines the modern and retrograde in deeply class polarized societies.

The increasingly heterogeneous nature of labor is a product of the uneven and combined development resulting from contemporary empire-building. The “New Imperialism” does not create a growing modern industrial proletariat, nor are the new subjects uniform in their ethnic, racial or gender composition. What does unite the disparate sectors of labor are conditions of declining living standards, physical and occupational displacement, downward mobility and the political intervention of new social leaders, new organizational structures and an increasing reliance on direct action tactics. The older established trade unions (manufacturing in Argentina, petrol in Venezuela) which still persist in defending their narrow, relatively privileged positions have come into direct conflict with the new socio-political labor movements.

Impact of Combined and Uneven Development in Class Formation

Understanding socio-economic processes are crucial to interpreting class formation under the U.S. empire. These include massive downward mobility, large scale long term out migration, class conversion across the social spectrum, and most important the emergence of an extremely

polarized class structure in which the upper 0. 1% (1/10 of 1%) of multi-billionaires control assets that exceed that of the lowest 50%.

The key to solving the problem of “poverty” or “extreme poverty” is elimination of extreme wealth and the transfer of financial resources upward and outward through the international financial circuits and networks of “correspondent banks” of the top 10 banks in the U.S. Neo-liberal policies, state intervention, U.S. military missions and the new regulatory regimes composed of U.S. trained economists, local financial representatives and U.S./World Bank/International Monetary Fund, have created a new class structure in Latin America and set in motion the social dynamics within the class structure.

The New Ruling Class

At the top of the class structure are the billionaire owners of a diversified array of big enterprises, banks and trading companies, representing at most 1% of the population. Their ascendancy has not been through the “normal” operation of market forces. Most had their business beginnings as recipients of government contracts – usually via political connections. The second step in upward mobility came under the military dictatorships and the subsequent neo-liberal privatization process. Once again through close working relations with the military and/or ties to the neo-liberal economic/financial ministries they were able to secure monopolistic control over lucrative public enterprises.

The third step usually involves insertion in the financial-speculative-pension fund- bank fraud circuits. Billions were made via overseas borrowing and currency speculation, differential interest rates (between overseas and ‘domestic’ lending), and the privatization of pension funds (where management fees almost always run in double digits) and billion dollar bank fraud.

The key to the ascendancy of this new ruling class is the de-regulation of the economy and its “dual linkages” – the ease with which it moves capital in and out of the country, in and out of economic sectors. State power is central to the ascendancy and consolidation of this new ruling

class. That means assurance that its representatives are directly involved in running the key positions in the state: the Central Bank, the Ministries of Economy and Finance. The new ruling class is a hybrid of owners and directors of foreign owned enterprises as well “nationals” – and both govern via local political (Presidency) and international financial institutions (IFI- World Bank/ International Monetary Fund). The formation of the new ruling class is a result of the economic opportunities opened by political institutional power. Their rise is neither ‘self-made’ nor the result of market forces.

What is theoretically important for class formation is the process of “class conversion”. At the level of the ruling class there is a conversion from entrepreneurial to financial and speculative activity resulting in large scale overseas transfers. This change in the class configuration of the ruling class has led to dramatic changes on the rest of the class structure. Equally significant this change has led to the establishment of a core group favoring ALCA and the re-colonization of Latin America.

The Middle Class: The New Divisions

The upwardly mobile “middle classes” range from an elite group of politicians, consultants, economists, stock brokers, investment bankers, publicists and political go-betweens, who serve the ruling class directly. They are accompanied by private service providers including doctors/surgeons (plastic surgeons), corporate and labor lawyers, private security agencies, politicians, generals, police chiefs, procurers and high end prostitutes and others who tend to the ruling class’ economic interests, security, welfare and whims. This segment of the middle class which is upwardly mobile has grown wealthy through the ‘privatization process’. They are the visible, accessible and noisy strata which attracts the attention of political scientists studying “democratic politics”.

The bulk of the middle class is made up of public employees, including medical and educational professionals, medium and small business people, farmers and manufacturers. This

majoritarian sector of the middle class has suffered from three simultaneously negative processes: downward social mobility (both in status and income), loss of employment, and lack of representation in the political process.

As a result there is a new process of forced “class conversion” – from middle class to unemployed, from underemployed to working class. Throughout Latin America the middle class has shrunk in size, its quality of life has sharply deteriorated and it has become active in both the ballot box and the streets, allying itself with diametrically opposing political movements, depending on the country.

In Argentina, the middle class was swindled out of billions of dollars in savings under the Menem/De la Rúa regimes. From the recession in 1999 to the depression and devaluation of 2001-2003, middle class living standards plunged 60%. Unemployment rose to over 25% and the bulk of the middle class became impoverished. They became self-employed street vendors, middle aged prostitutes, taxi drivers and engaged in the barter economy. The significance of the Argentine experience is theoretically important as it raises important questions about the impact of neo-liberal politics on the middle class. Prior to 1998 the biggest and most affluent middle class in Latin America was found in Argentina and this was the country which went furthest in applying the neo-liberal prescriptions.

The regressive impact of the neo-liberal policies on the vast majority of the middle class gives the lie to the claims of the pro-empire ideologues and economists that “free-market” policies lead to increasing prosperity and a larger and more affluent middle class. The mass impoverishment and downward mobility of the majority of the middle class has been a determining factor in their turn toward anti-ALCA and anti-imperialist politics.

The internal polarization of the middle class is highly skewed, with the close knit minority clamoring in favor of ALCA while the impoverished majority opposing it.

The response of the disenchanted and downwardly mobile middle class in Latin America however is extremely varied. In Argentina, the middle class, especially the public employees

sector and the pensioners, have turned to the left – organizing in popular neighborhood assemblies, participating in the overthrow of the De la Rúa regime, joining the unemployed workers in marches and road blockages, providing support to workers who occupy factories. In Brazil, the bulk of the activists, cadres and delegates to the Workers Party (PT) congresses are public employees, even as the bulk of voters are workers and the urban and rural poor. The moderate reformist policies of the Lula presidency reflects the changing composition of the party and its leadership – its becoming a de facto party of the downwardly mobile middle class. In Bolivia and Ecuador, support for leftist Evo Morales and populist Lucio Garcia came from sectors of the downwardly mobile middle class.

In contrast in Venezuela and Mexico, the middle class turned toward the right. In the case of Venezuela, the downwardly mobile middle class has aligned itself with the pro-coup U.S. backed far right, engaging in sustained street demonstrations, blaming the regime for the loss of purchasing power and deeply resentful of the rising influence of the predominantly poor black Chavez supporters. The case of Mexico is more complex as the downward mobility of the middle class first led to a move to the left in the late 1980's and early 1990's and then a shift to the free market right supporting President Fox in 2000.. Downward mobility, class conversion and loss of social status of the middle classes in Latin America has led to divergent political expression, depending on the political context, namely who is in power and who can be identified as the source of their malaise. There is no “intrinsic” factor predisposing the downwardly mobile middle class in one or another direction.

Working Class and Empire

Empire-building based on neo-liberal policies and military intervention has had a profoundly negative effect on the working class, labor legislation and trade union organization. First and foremost the economic policies implemented by client regimes has led to the massive conversion of workers into unemployed, underemployed and low-paid ‘self-employed’ street vendors and

itinerant laborers. Argentina where upward of 35% of the labor force was employed in manufacturing 30 years ago is reduced to 17% while the unemployment rate hovers around 20-25%, and in working class neighborhoods at over 50%.

In Bolivia, there have been massive losses in manufacturing and mining jobs, and the growth of an informal sector that approximated 80% of the labor force. Similar patterns occur in Peru, Ecuador and Colombia. In Brazil, unemployment and underemployment is over 40% of the labor force with a growing informal sector. In Mexico, the maquiladora sector has been declining as many assembly plants move to China, resulting in the loss of hundreds of thousands of poorly paid jobs.

The social consequences has been the fragmentation and dispersion of employment, a decline in trade union membership and radical changes in labor legislation. What employers and orthodox economist call “labor reform” legislation provides employers with greater power to fire workers at lower costs in terms of severance pay and greater control over the work-place and working conditions, frequently resulting in longer hours without overtime pay. Equally important , employers evade making payments to social insurance, pension plans and increasingly delay wage payments. Many employers have withheld wage payments for several months and then closed the factory, carting off the machinery and refusing to compensate workers. Frequently wages have been arbitrarily reduced.

The negative impact of empire-building covers most but not all sectors of the working class. Highly organized workers in strategic sectors in some countries have been able to resist the general employer offensive as well as the empire’s push to privatize strategic sectors. In Ecuador and Mexico, electrical and petroleum workers have successfully defended their living standards via militant action and disciplined organization. In some countries these militant well-paid sectors have developed ties with other popular urban movements to resist neo-liberal measures and regimes – such as the case in Ecuador. In other countries the trade union officials have

become closely allied with privileged, corrupt senior executives and have taken action against positive legislation favoring the urban poor, as is the case of the petroleum workers in Venezuela.

In Argentina, following privatization, many petroleum processing centers were closed, leading to massive unemployment and the organization of militant unemployed workers movements, such as in Neuquen Province.

In Colombia, U.S. military intervention via Plan Colombia has led to murderous assaults, killings and torture of hundreds of trade union leaders, activists and members. In some cases employers have contracted paramilitary groups to eliminate labor leaders – as is the case in the Coca Cola plant.

The process of empire-building includes the direct appropriation of strategic industries, the elimination of trade barriers and the dismantling of labor legislation, all which increase the rate of profit of their multinational corporations. The effects on the working class include a profound decline in organization and living and working conditions.

As a consequence factory workers and miners in many parts of Latin America have lost the central role in the popular struggles for social transformation or reform. Trade unions only have been able to protect living and working conditions through alliances with more dynamic urban and rural groups.

In Argentina unionized public employees were able to force the resignation of the de la Rúa regime after he imposed a 13% wage cut. His regime was toppled through mass protest by the popular assemblies of the middle class and the road blockages of the unemployed workers.

In Bolivia, pensioners and urban workers' salary demands are included in a list of ten demands put forth by militant coca farmers confederation, organizers of major highway blockages. The peasant confederations are the most effective mass opposition political organization.

The theoretical point is that new sectors of the peasantry, working class and impoverished salary workers have emerged to provide leadership, organization and spirit to the class as a whole.

In Argentina, the unemployed workers' movement has been in the forefront of mass road blockages demanding jobs, food and housing. Urban neighborhood assemblies of downwardly mobile middle class have formed part of militant urban protests and road blockages in Argentina, Peru and Bolivia. Urban coalitions involving a broad array of urban social forces have been in the forefront of general strikes in Cochabamba Bolivia (protesting the privatization of public utilities and water), in Arequipa Peru, in Quito Ecuador, in Santo Domingo and in Bogota Colombia.

Movement organizing has shifted from the workplace to the neighborhood. Tactics have shifted from the factory-based strikes to the blockage of transportation networks. In many cases these urban working peoples' movements have been successful in defeating the implementation of privatization measures or in securing immediate concessions.

Theoretically, what is significant is the capacity of former industrial workers (unemployed) to organize cohesive movements outside of the factory - in neighborhoods - and bring to bear new tactics affecting the circulation of commodities and the realization of profits. The decline of trade unionism and of factory employment has been "compensated " by the growth of mass urban movements based on the downwardly mobile working and middle classes who have been displaced, exploited and impoverished.

Rural Labor

Probably the most devastating impact of empire-building has been on the rural labor force, particularly peasants, small farmers, subsistence farmers, rural laborers and Indian communities. The massive entrée of subsidized agricultural products from the U.S. and European Union has ruined small producers and bankrupted rural cooperatives. In Mexico over two million peasant families - mostly small farmers and Indians have been forced off the land since NAFTA was implemented. In Brazil under President Cardoso's neo-liberal regime (1995-2002) over 1.5 million peasant and family farmers have been forced off the land. In Ecuador about one-third of

small farmers and peasants, the majority of whom are Indians have been forced off the land in the past decade. The neo-liberal regimes have financed agro-export sectors and starved small scale food producers of credit and technical assistance while opening the floodgates to cheap subsidized food imports. The result has been fourfold: (1) large-scale out-migration to urban slums swelling the unemployed and informal sectors and emigration overseas; (2) the growth of alternative crops, like coca which provides a livable income (Bolivia, Colombia and Peru); (3) the growth of a rural landless labor force; and (4) the re-emergence of radical peasant-Indian socio-political movements.

The “conversion “ of peasants to urban informal activity is a result of the “de-industrializing “ effects of neo-liberal policies. Industry cannot absorb rural migrants. To defuse the potential for urban uprisings the World Bank has financed an army of over 10,000 NGO’s to establish “anti-poverty” and “self-help” projects, so-called “local empowerment” activities, to prevent the emergence of mass socio-political movements challenging the empire and its client state. In Ecuador, Bolivia and Peru, NGO-based organizations have attached themselves to communities and in some cases to Indian movements, turning them in a more conservative direction. A few poorly funded NGO’s have been active trying to defend the human rights of social movement activists subject to torture, imprisonment and state and para-military violence.

Rural to urban migration is no longer a vehicle for upward mobility. The migrants compete with the growing number of urban unemployed for the poorest paying temporary jobs that surface. In some cases, the rural migrants have become active in the burgeoning urban movements.

The subjective response of peasant and rural workers however in the first instance is to resort to rudimentary exchanges to sustain subsistence existence based on traditional reciprocal relations. The extended family and community ties help to “pool” scarce resources for survival. These survival strategies however are perceived to be inadequate. Not infrequently family

resources finance family members to emigrate overseas to find employment and then remit a portion of their income to sustain the impoverished rural family.

More fundamentally powerful rural movements based on economic and ethnic demands have emerged throughout Latin America. The most significant include the Landless Workers Movement (MST) in Brazil, in Ecuador (CONAIE, FENOCIN and other groups), the Cocaleros of Chapare and several other peasant federations in Bolivia, the National Peasant Federation in Paraguay to name a few. These movements have had a major impact on changing land tenure: the MST has occupied land and settled 350,000 families in less than 20 years. In Ecuador the peasant-Indian movements overthrew two corrupt neo-liberal regimes. Throughout Latin America peasant-Indian movements are a major force in the anti-ALCA, anti-imperialist movement. In the case of Ecuador they were in a coalition winning the presidential elections, while in Bolivia the Cocaleros came in second in recent elections.

The “conversion” of peasants into landless or subsistence farmers has had a radicalizing impact throughout Latin America. In some cases like Bolivia the closing of the tin mines and the conversion of miners into coca farmers has radicalized the rural movements. The displacement and appropriation of peasant lands in Colombia by narco-paramilitary forces and the military has increased the ranks of the two guerrilla movements in Colombia.

The result of conversion and social organization is that the principle radical opposition to U.S. empire building in many Latin American countries is located in the countryside. In Mexico this is clearly the case with the Zapatista Movement in Mexico which launched its uprising in Chiapas on January 1, 1994 – the day NAFTA was inaugurated. In 2003 the major opposition to the full implementation of NAFTA has been a nationwide rural protest which includes blocking major highways, hunger strikes and threats to destabilize commercial traffic between the U.S. and Mexico. By the second week in January important urban trade unions pledged support to peasant-led demands for NAFTA revision. No other social force in Mexico demonstrates the

same capacity as rural labor to mobilize and take direct action to confront empire-building commercial treaties.

Uneven and combined development in Latin America is rooted in the concentration of investment, control and extraction of wealth in the imperial financial, agro-mineral and labor-intensive assembly enclaves. This has resulted in the regression and impoverishment of the rural sector. The Imperial offensive and takeover of export earnings and budget surpluses as debt payments has led to the peasants “abandoning” the countryside.

The result is that the geography of Empire is built around “enclaves” of wealth (urban banks, mining and energy intallations and ports, agro-business, plantations and transport and commercial networks and assemble plants) and military and police apparati repressing the surrounding population, regions and excluded classes.

Conclusion

The particular nature of U.S. empire – the relative strength of the military, petroleum and energy sectors- and the impact of neo-liberal policies has led to a radical transformation of the Latin American labor force. New labor actors and new tactics and strategies have emerged to combat the empire. The weakest links in the empire are found precisely among its principle collaborators – the client neo-liberal states. The weakness of the client states is found in their draconian economic measures which have destroyed the livelihoods of millions across the social spectrum.

Empire has not developed or expanded the industrial, service and commercial economies of Latin America. It has created pockets, or enclaves, of export growth and affluence, in a sea of empty factories, abandoned fields and crowded slums. It has devastated and reversed a half-century of social and economic development – with all of its class, racial and gender casualties. In the process of constructing a neo-mercantilist empire of free trade and protectionism, Washington has transformed a stable urban working class into an impoverished army of

unemployed and underemployed masses. The empire has uprooted and displaced millions of peasants through unequal trade, state violence and agro-business expansion.

The first consequence of the heterogeneous nature of the empire's victims was social fragmentation leading to sporadic 'localized' struggles and organization. Overseas ideologues with no contact with movement dynamics concocted theories of "anti-power". They argued that the emergence of local struggles and limited demands are a substitute for taking state power. Today, as the struggles intensify, a rich mosaic of organized socio-political labor movements are challenging the client collaborators of the U.S. empire. Each movement develops a particular base of organization: ethnically based movements rooted in Indian communities; unemployed workers based on barrio organizing; factory-based movements linked to the occupation of bankrupt firms; unionized workers in strategic industries resisting privatization. The key to the advance of these movements is their resort to direct mass action, blocking the transport of goods and services and paralyzing government activity. In so far as the movements have been deflected into electoral politics as the primary political vehicle for action, the movements have lost momentum and political direction.

Anti-imperialist ideology is rapidly gaining adherents within these new labor-peasant movements replacing the anti-globalization rhetoric of the NGO's and their academic advocates. In 2003 anti-imperialism has entered into the programmatic struggles against ALCA, Plan Colombia, the U.S. effort to overthrow the Chavez government and in the day to day struggles of farmers in Mexico to defeat NAFTA.

The weakness of the empire is found in the loss of hegemony of its neo-mercantilist economic strategy of pillage, de-industrialization and export specialization. The U.S. empire does not exercise "hegemony" outside of government circles and among social liberal intellectual elites. Among the activist, anti-imperialist movements – identified with opposition to U.S. plunder—the U.S. is resorting to military intervention, covert action and economic reprisals .

The clash between the Empire and the Latin American working class, unemployed masses, displaced rural classes and downwardly mobile middle classes is visible throughout Latin America. In socially polarized Venezuela, in the mass agrarian anti-NAFTA movement in Mexico, in the civil war in Colombia, in the struggles of the Bolivian cocaleros, among the mass unemployed workers and popular assemblies of the middle class in Argentina the left is striking back. When the excluded cry out “ Que se vayan todos “ (Politician get out)! , they include U.S. generals, bankers and coup-makers.