

# 10 ENG

## **A balance sheet of the progressive cycle in Latin-America - Eric Toussaint**

1. Bolivarian Venezuela at the crossroads (abstract) – Eric Toussaint (2009)
2. Venezuela: Seven keys for understanding the current crisis – Emiliano Terán Mantovani (2017)
3. South America: end of a cycle? Popular movements, “progressive” governments and eco-socialist alternatives – Franck Gaudichaud (2015)
4. Faced with Nicaragua’s social and political crisis - Solidarity with popular demands and against Ortega repression! – Statement adopted by the Executive Bureau of the Fourth International on 28 October 2018



## **Bolivarian Venezuela at the crossroads**

(abstract)

Eric Toussaint, 2009

The economic, social and political situation in Venezuela has changed a lot since the failure of the constitutional reform in December 2007, which acted as a warning to the Chávez government. [1] (...)

### **Paradoxes of the Venezuelan economy: The capitalist sector is growing faster than the public sector and is still predominant in Venezuela's economy despite the nationalizations.**

The share of the private sector (greatly dominated by the capitalist sector [2]) in Venezuela's *gross domestic product* has grown from 64.7% in 1998 (before Hugo Chávez was elected president) to 70.9% in the third quarter of 2008. [3] Although the government has nationalized a significant number of large companies in the electricity, telecommunications, steel, food, cement and banking sectors, the capitalist sector has recorded more rapid growth than the public sector, which explains that its relative share in GDP has increased whereas the share of the public sector has decreased (from 34.8% in 1998 to 29.1% in 2008) [4]

This can be explained by the way the country's oil income is used. The overwhelming majority of the Venezuelan State's revenue comes from oil exports. The government massively uses the resources coming from oil to improve the living conditions of the poor majority of the population (as well as of the medium income brackets) in the fields of health (where results are impressive), education (also impressive), supply of low-priced basic products through the distribution and marketing channels Mercal [5] and Pdval [6] (staple food and other basic products for households), housing construction, the building of infrastructure and public transport (subway, train), wage increases in the civil service, increases in a large number of grants and social allowances, not to mention expenses in the field of culture and sports. It grants substantial subsidies for cooperatives, communal councils, etc. The result is clearly positive: the percentage of Venezuelans below the poverty line was reduced by half between 2003 and 2008, from 62.1% to 31.5% of the population. As for the percentage of people in extreme poverty, it was reduced by two-thirds, from 29% in 2003 down to 9.1% in 2008; [7] illiteracy dropped sharply, the level in

training improved, access to free healthcare increased greatly, mass consumption rose. But to a large extent the capitalist sector is also benefiting from government spending because it is still dominant, by a long way, in the banking sector, in trade and in the food industry. The extra money that goes to the people and comes from public spending ends up in the capitalists' pockets because it is in the capitalist banks that individuals (and also cooperatives, municipal councils, municipalities and many other public entities) deposit their money. It is the capitalist banks that issue consumer credit facilities in the form of credit cards, and support a growing share of the consumption (and charge high *interest rates* for this). It is the capitalist companies of the food industry that produce or market most of the food products consumed by the masses. It is the capitalist import companies that bring from abroad the many imported products consumed by Venezuelans. The private retail chains still dominate trade even if Mercal and Pdval are significant players in supplying basic products. When the State nationalizes private companies that belong to the national capital, it is the local capitalists that receive buyout compensations from the State.

In brief, the capitalist sector continues siphoning off most of the money spent by the State to help the poor or middle-income sectors of the population.

According to a study [8] by Mark Weisbrot and Luis Sandoval that is in fact very favourable to the Chávez government, the private financial sector grew by 37.9% in 2004, by 34.6% in 2005 and by 39.2% in 2006, while the growth of the public sector (all sectors taken together) was only 12.5% in 2004, 4.1% in 2005 and 2.9% in 2006.

As stated by Victor Álvarez : *“During the previous mandate of President Chávez (2000-2006), most financial, fiscal, exchange rate incentives, most public spending, most technical assistance, etc., went to the existing production apparatus, fundamentally consisting of commercial companies, which reproduce a capitalist mode of production that is, paradoxically, the very one we want to overtake and transcend.”*

We are thus far from the assertions made by the mainstream media, which see in the Chávez administration a rampant imposition of state control over the Venezuelan economy.

### **Gifts made to the banks**

An additional issue, stems from the policy of overvaluation of the Venezuelan currency against the dollar. This question requires some explanation. Since 2003, companies that want to import goods and services have had to buy dollars from a state administration called CADIVI. This is a useful measure taken to fight capital outflow. The problem is that the exchange rate between the bolivar and the dollar overvalued the value of the former. It therefore exacerbated a perverse pattern: for a capitalist who has a large amount of bolivars, it is more profitable to change them for dollars which are sold cheaply by the State and import products from the United States or elsewhere than to produce them in the country. Thus the policy of an overvalued bolivar deterred productive investment and encouraged trade based on the frenetic import of goods [9] and sale of the same through the big private retail networks. These massive imports are in fact subsidized by the State since the State sells the private sector the cheap dollars it has accumulated through its oil exports. Another point also needs to be examined: how this policy of an overvalued bolivar and a high level of imports influenced the *inflation* rate, which has been particularly high in Venezuela in recent years. This high inflation rate reduces the impact of the pay rises granted by the government. One vicious example of this policy of an overvalued bolivar and of gifts made by the government to the private banks: the Venezuelan State bought debt bonds issued by Argentina in 2004-2005. The problem is that it sold part of these Argentine debt bonds, drawn up in dollars, to the private banks. These banks bought them with bolivars at the official overvalued exchange rate. What did some (in fact many) of them do with these bonds? They sold these Argentine debt bonds in the United States or elsewhere to obtain dollars. This allowed them to bypass the control imposed by the Venezuelan State over capital movements. Officially, they did not export capital; they only got Argentine debt bonds out of the country.

Since then, the State has kept on making gifts to private banks thanks to similar manoeuvres. PDVSA and other public entities issue public debt bonds drawn up in dollars that are bought in bolivars by Venezuelan banks at the official exchange rate. Then these banks sell part of the bonds on the international market for dollars [10]. In brief, the State policy has two negative consequences: first, it permits capital flight in a circuitous but perfectly legal way; second, it

encourages parasitic banking behaviour (buying of debt bonds) to the detriment of productive investment.

The conclusion that can be drawn is that although the State is trying to carry out a policy of endogenous development (i.e. designed to meet the internal demand through greater domestic production), the way the oil money is redistributed, combined with the overvaluation of the bolivar, tends to strengthen the capitalist sector and its importing pattern.

In a speech given during the meeting of intellectuals organized by the CIM, the writer and lawyer Luis Britto aptly summed up the situation: *“We live in a dual society, and in a fable I wrote I explained that if one tries to set up a mixed system with hens and foxes in one single henhouse, then the following week, there will only be foxes left, and then they will eat the farmer.”* [11]

#### **Dealing with the thorny question of exchange rates: the January 2010 devaluation**

In January 2010, the government carried out a devaluation. What does this devaluation consist of? Two official rates were set: the first one represents a 21 percent devaluation of the bolivar against the dollar (instead of 2.15 bolivars, 2.6 bolivars are needed to obtain one dollar); the second rate represents a 100 percent devaluation (one has to pay 4.3 bolivars for one dollar instead of 2.15 bolivars). The first rate (2.6 bolivars per dollar) is in force for expenses considered to be vital or at least to be a priority: imports of food, medicines, technologies, equipment for industrial or agricultural production, imports made by the public sector, the payment of scholarships to Venezuelan students studying abroad, of pensions to retired people living abroad. The second rate (4.3 bolivars per dollar) is applied to imports of automobiles, beverages, tobacco, cell phones, computers, home appliances, textiles, chemical and metallurgical products, rubber, etc.

In the short term, this devaluation will increase the State's tax revenues. The dollars that the State gets from oil exports will be sold for a larger amount of bolivars. This is certainly one of the main goals pursued by the government which has seen its tax revenues dwindle due to the impact of the international crisis on the country's economy. But this does not mean that the Venezuelan State is going to win on all fronts. The repayment of the public debt, 67.8 percent of which is drawn up in dollars, will cost the government more. The Venezuelan bankers and other capitalists who

bought debt securities drawn up in dollars will get richer once again.

Obviously there are other consequences: for the workers and all low income earners who receive this income in national currency, the devaluation means lower purchasing power: the cost of the products they consume will be higher because many products are imported or produced in the country with a large imported component. Importers, retailers, producers will pass on the additional costs to the retail price. This loss of purchasing power can only be limited or compensated if wages increase in proportion to the cost of living, which is not the case. On 1 May 2010 Hugo Chávez decreed a 15 percent increase in minimum wages and pensions but inflation reached 25 percent in 2009 and will probably be even higher in 2010.

This devaluation aims at other objectives in the longer term, but it would be risky to say whether they can be reached or not. Among these objectives, the most important one is certainly the promotion of import substitution. Since importing now costs 21 or 100 percent more (depending on the products imported), imports should decline and local producers should be in a better position for selling their production on the national market. Even better: the devaluation should convince them that it is profitable to produce products that were formerly imported. This could create a virtuous circle thanks to which the country could strengthen its industrial and agricultural base by replacing imported products with local ones.

### **Suggested paths to 21st century socialism in Venezuela**

#### **Reduce dependency on hydrocarbons and on the United States**

One of the challenges that several previous governments have had to face, just as Chávez' government must, is to diversify the productive apparatus in order to shake off the country's extreme dependency on hydrocarbons (this is also true for the majority of the big oil-exporting countries). It was precisely to this end that, in the 1960s, a company such as SIDOR, the iron steel corporation, was created. Later, during the 1980s and 1990s, the neo-liberal governments privatized several public companies like SIDOR and decided to rely on foreign investments to diversify the economy. This was a failure.

In recent years, the Hugo Chávez government has in its own way been endeavouring to diversify the production infrastructure:

1. development and reinforcement of a steel and iron pole by carrying out a policy of import substitution (for instance, Venezuela is going to produce the pipes it needs for its pipelines whereas, up to now, they have been imported; with the help of the Chinese, Venezuela is going to produce railway equipment and re-develop its rail network);

2. support for local food production so as to come as close as possible to a situation of food sovereignty, while currently almost 90% of food products consumed in the country are imported (legacy of a decade-long use of oil revenues to import whatever Venezuela needed) ;

3. development of a petrochemical industry;

4. improvement of the production and supply of electricity, produced in the great majority from hydraulic energy (and fortunately not from oil). In this regard, contrary to the official position, Venezuela must avoid getting into electricity production from nuclear power;

[12]. nationalization of the cement industry so as to develop the government's housing construction policy.

Venezuela is also seeking to reduce the *share* of exports to the United States,<sup>3</sup> its main buyer of hydrocarbons, by trying to increase its supplies to China (according to some government sources, there is hope that China will be buying as much as the United States by 2014, which seems a difficult objective to achieve).

#### **Land policy**

A land reform has been carried out, [13] cooperatives and small farms have been granted substantial subsidies, but the initial situation was very delicate. The share of agriculture in the country's *GDP* is very low [14] and, with some important exceptions (for instance the regions of big market-garden production in the Andes [15]), Venezuela is one of the countries where the system of farmers' smallholdings has been notably weakened due to the importing model that has prevailed for decades.

How can a local farming population be reconstituted so as to ensure food sovereignty for a population that will reach 30 million inhabitants in the coming years? The problem is admittedly a difficult one to solve. To this end, the State needs to implement a vast package of incentive measures such as: a substantial improvement in the quality

of public services in rural areas so as to reduce rural exodus; support for family farming and other traditional forms of agricultural production without favouring cooperatives exclusively; [16] the development of a public retail network for farmers' production, guaranteeing stable outlets and prices high enough to encourage producers and save them from the clutches of the private networks that impose their prices on producers and secure excessive profit margins for themselves.

Michael Lebowitz made a number of proposals regarding farming policy in Venezuela that should be implemented to improve the situation: *"taking into account the existing contraband due to an overvalued bolivar and the diversion of goods through the black market, the solution does not lie in subsidizing by supplying free inputs such as means of production, nor in direct monetary subsidies to agricultural production (except in cases where new production facilities are built). Why? Because, given the circumstances, there is no kind of control ensuring that products go where they are needed – especially when control or monitoring mechanisms, which involve high transaction costs, are lacking.*

*Therefore to ensure that subsidies lead to a real increase in food supply on the national market, and at decent prices, the best form of subsidizing is through a State agency that buys products at a set price. This State agency can offer the producers a price that encourages production and can later make sure that the items are sold to the population via the Mercal network at prices lower than those paid to the producers."* [17]

### **The Venezuelan government's debt policy**

The public debt burden in percentage of GDP has been reduced over the last few years but one has to emphasize that the Chávez government is not initiating a comprehensive audit of the public debt, whereas it promised to do so on several occasions. [18]

Besides, one can only wonder about the appropriateness of taking on new loans when the price of the barrel of oil was high and when liquid assets were abundant. And yet, in 2006 PDVSA went into debt for 12 billion dollars by issuing bonds on the international financial markets. How can this decision, which was not discussed in the National Assembly, be justified? With the decline in the price of the oil barrel since July 2008 (even if the current price – between 70 to 80 dollars a barrel during spring 2010 – keeps Venezuela on the safe side for the time being), don't the

repayments by the PDVSA put a strain on its budget and excessively reduce its liquid assets? Why go into debt and transfer interests to the international (or national) private financial players if one has enough cash assets not to be forced to borrow money? These questions are unfortunately not being answered.

One should note that Chávez emphasizes the country's endogenous development, which he defines as *"self-centred, based on domestic resources and an integral part of the strong comeback of the national dimension."* Reducing PDVSA's external debt should be an interesting way of developing this definition.

### **Other steps to be programmed**

One of the solutions that need to be implemented so that the State (instead of the present private banking sector) can retrieve a substantial share of the money it distributes (or spends) consists of transferring to the public sector (nationalizing) the greater part or the whole of the **capitalist banking sector** of Venezuela. [19] The State will then be able to re-invest part of the money it distributes (derived from its oil income) into the economy in the form of social spending or productive investments, in order to generate a virtuous circle of accumulation and the development of a public sector of the economy, as well as other kinds of ownership to be supported and strengthened (small private ownership, cooperative ownership, traditional forms of property among indigenous communities, etc.).

A second measure could consist of State control on **foreign trade**, so as to prevent a great part of the revenues it generates from being diverted towards capitalist accumulation and/or towards other countries through outflow of capital. A series of incentives of different kinds (taxes, subsidies, priorities in State orders...) is also needed to support the non-capitalist sector of the economy (obviously including small private ownership). [20]

Citizens' and workers' control to avoid 20<sup>th</sup>-like socialism

But what is absolutely essential is to set up mechanisms aimed at avoiding two major pitfalls:

**1) the monopolization of decision-making processes by the State bureaucracy** and **2) the emergence of a new bourgeoisie from within Chavism**, which is already dubbed "bolibourgeoisie" (= the Bolivarian bourgeoisie, the section of the Chavist leaders who take advantage of their position to begin accumulating capital). [21]

Among other mechanisms, let us mention: establishing limits to the range of wages (for instance a scale from one to six) by reducing the highest wages and significantly raising minimum wages as well as other wages up to the average wages; forcing agents and civil servants to make an annual declaration of global incomes (salaries and other earnings and incomes) and personal wealth (since the accumulation of capital by bureaucrats is more often done through backhanders which do not appear in income statements whereas they do in statements of personal wealth); forcing citizens to declare their various bank accounts in the country and abroad (lifting bank secrecy); substantially increasing proportionality in income tax.

Improving the training of managers in public companies is also vital, because nationalizations require the creation of a recruitment pool of managers with high technical competence and a high level of political, social and ethical training. To step up the pace of nationalizations, a pool of managers has to be created, while simultaneously developing, as mentioned above, a policy of worker and citizen control. Unless this is done, there is the risk of creating public companies that are inefficient, and even corrupt.

The essential and certainly the most efficient remedy is to implement a policy of workers' and citizens' control over the accounts and running of companies and public institutions. It would enforce transparent management (so as to prevent embezzlement, squandering, use of the resources of companies or institutions for projects which are not socially or environmentally justified) through a comprehensive audit policy in which workers and users of services must actively take part. There is also a need for appropriate transition from workers' control to company self-management (while maintaining an external control). The whole battle for workers' control, for citizen control (which I also call control by users), for self-management, is part of the building up of grassroots popular bodies, such as the communal councils. The right forms still remain to be found so that this construction of grassroots entities is not restricted to a fragmented view. This raises the question of setting up a national federation of control organizations through which popular power can become a reality.

Footnotes

---

[1] On 2 December 2007 51% of voters said 'No' to Chávez' constitutional referendum as against 49% voting 'Yes'. This is Chávez' only electoral setback between 1998 and 2009. See Éric Toussaint, "The failure of 2 December 2007 can be a powerful lever for improving the process currently unfolding in Hugo Chávez' Venezuela", December 2007, <http://www.cadtm.org/The-failure-of-2-December-2007-can>

[2] For instance, the share of social economy within the private sector is very low: it reached 1.6% of gross domestic product at the end of 2008, up from 0.5% in 1998. Out of a total of 11,692,071 working people at the end of 2008, only 201,773 work in the social economy cooperatives, i.e. barely 1.7%.

[3] See Victor Álvarez "*The transformation of the Venezuelan productive model : review of ten years of government*", Revista La Comuna n°0, p. 37 to 55. Victor Álvarez was Minister of Basic Industries in the Chávez government from January 2006 to August 2007.

[4] This statement has to be qualified: until 2002, although a public company, the operation of PDVSA (Petróleos de Venezuela Sociedad Anónima) had progressively favoured the private sector. A large part of its revenue was declared and taxed in the United States. The measures taken by the Chávez government from 2002 onwards enabled the State to take over the company's management, which resulted in a strong increase in revenue to be later used to finance social policies.

[5] The **Misión Mercal S.A.** (MERCado de ALimentos) is one of the social programmes promoted by the Venezuelan government. Officially launched on 24 April, 2003, the Misión Mercal is designed to serve the food sector and comes under the control of the Ministry of Food. The programme involves building shops and supermarkets and supplying them with staples and basic products at low prices that are affordable by the needy. Food products are subsidized and arrive on the shelves without middle-men, so that the prices offered usually represent a discount of 30% to 45%, compared to the prices charged in other distribution channels. [http://es.wikipedia.org/wiki/Misi%C3%B3n\\_Mercal](http://es.wikipedia.org/wiki/Misi%C3%B3n_Mercal)

[6] *Productora y Distribuidora Venezolana de Alimentos* (Pdval) was created in January 2008 [http://www.abn.info.ve/go\\_news5.php?articulo=117377](http://www.abn.info.ve/go_news5.php?articulo=117377)

[7] Quoted by Victor Álvarez.

[8] See Mark Weisbrot and Luis Sandoval, *The Venezuelan Economy in the Chávez Years*, Center

for Economic and Policy Research, Washington, 2007, [www.cepr.net](http://www.cepr.net)

[9] A personal anecdote: in late November-early December 2006 in Caracas, I was utterly astounded to see in the middle-class neighbourhoods that thousands of Christmas trees imported from Canada were being sold. In the shops, they were also selling quantities of devices to spray artificial snow on the trees. It should be added that in Caracas the temperature around Christmas is over 20°C. The massive import of Christmas trees from the Great North is very profitable thanks to the overvalued bolivar. It is true that Chávez criticized this pattern of systematic imports, all the more so as, he said, it was linked to cultural traditions (Santa Claus for instance) that were also imported and unquestioningly adopted to the detriment of local cultures.

[10] The foreign financial papers *The Economist* and *the Financial Times* regularly stress that Venezuelan private banks are very pleased with this opportunity given by the State to bypass capital movements control.

[11] See [http://www.cadtm.org/IMG/article\\_PDF/article\\_a4492.pdf](http://www.cadtm.org/IMG/article_PDF/article_a4492.pdf) and Martha Harnecker “Selección de las opiniones más destacadas de los intelectuales reunidos en el CIM” (Selection of the most prominent opinions of the intellectuals in the CIM meeting) <http://www.rebellion.org/noticia.php?id=88131> which takes up extracts from several speeches given during the meeting of intellectuals organized by the CIM in early June 2009.

[12] According to the Instituto nacional de estadísticas, in 1999, the United States accounted for 47.36% of Venezuelan exports, and imports from the US amounted to 40.61% of the total imports of the country. In 2007, these percentages respectively decreased to 52.4% for exports and 25.8% for imports.

[13] At the end of 2008, 2,675,732 hectares had been recovered from *latifundias* (large estates) and farmers had been given title deeds and contracts for a total of 1,862,247 hectares.

[14] The agricultural sector accounts for barely 4.39% of GDP whereas in Colombia it accounts for 12.1%. The Latin American average is 6.22% of GDP.

[15] See Alexandra Angeliame and Jean Christian Talet, « *Mutation maraîchère et accompagnement institutionnel dans les Andes vénézuéliennes (1950-2007)* » chapter 4 of the second part in Olivier Compagnon, Julien Rebotier and Sandrine Revet (eds), *Le Venezuela au-delà*

du mythe. Chavez, la démocratie, le changement social, Editions de l'Atelier/Editions Ouvrières, Paris, 2009, 238 pages

[16] The impact of the creation of the many farming cooperatives (and other cooperatives) has been rather mitigated in Venezuela (as has been the case for other countries that prioritized cooperatives over individual family farming).

[17] Michael Lebowitz, “*De los subsidios agrícolas a la soberanía alimentaria*”, 2 February 2008, 7 pages.

[18] Hugo Chávez announced the launching of a debt audit when he met a hundred or so delegates of social movements from all over the world in January 2006 after the 6<sup>th</sup> edition of the World Social Forum, a polycentric forum held in Caracas, Bamako and Karachi. I attended this meeting, which was entirely broadcast live on public television. Chávez also made a commitment to audit the debt in late 2008, during an ALBA meeting.

[19] A first measure in this direction was taken in 2009 when Banco de Venezuela was nationalized.

[20] In this respect, see Victor Álvarez's proposals in the final part of his document mentioned earlier.

[21] Roberto López, a professor at the University of Zulia, criticizes a process “*where private company sectors, which are not necessarily those trying to overthrow the government, but private sectors allied to the Bolivarian bureaucracy, have become multimillionaires during this period. An analysis should be made of these private groups and of their relationship with the economic assets of many leaders and prominent figures of the process. There seems to be a new Bolivarian bourgeoisie associated with business circles. For instance, a fact I heard about almost directly concerned subcontracting companies that had just been nationalized, expropriated, in the region of the Eastern Coast of the Lake and in almost all of them there were leaders who had participated in the coup (the military coup d'Etat of April 2002), in the oil lockout, and all were associated with PSUV leaders, revolution leaders, members of Parliament, Bolivarian governors, etc.*”

See <http://www.aporrea.org/actualidad/n136767.html>

## Venezuela: Seven keys for understanding the current crisis

22 May 2017 by Emiliano Terán Mantovani

It is not possible to understand the current crisis in Venezuela without analysing the factors that develop “from within” and are not entirely explained by the mainstream media. We offer here seven keys to the current crisis, emphasizing that understanding what is happening in Venezuela requires taking foreign intervention into account and being aware that the concept of “dictatorship” neither explains the Venezuelan case nor is a regional specificity of this country. We suggest that the social contract, the institutions and the frameworks of the formal economy are breaking down and that the future and the political definitions of the current situation are being channelled by force, through a number of informal mechanisms, exceptional and subterranean. We propose that the shared horizon of the two ruling party blocs is neo-liberal, that we are faced with a historical crisis of Venezuelan rentier capitalism and that communities, popular organizations and social movements are facing a progressive undermining of the social fabric.

Venezuela’s treatment by the international media is certainly special. Undoubtedly there are too many distortions, too much Manichaeism, too many slogans, too many manipulations and omissions.

Beyond the stupefying versions of media newspeak that interprets everything that happens in the country in the key of “humanitarian crisis”, “dictatorship” or “political prisoners”, or the heroic narrative of the Venezuela of “socialism” and “revolution” that interprets everything that happens in the country in terms of “economic war” or “imperialist attack”, there are many topics, subjects and processes that are invisible and that essentially constitute the national political scene. It is not possible to understand the current crisis in Venezuela without analysing the factors that develop “from within”.

The criterion of action and interpretation based on the logic of “friend-enemy” responds more to a dispute between the elites of the political parties and economic groups than the fundamental interests of the working classes and the defence of *common goods*. It is necessary to provide a comprehensive overview of the process of crisis and national conflict, which helps us plot the

coordinates to transcend or deal with the current situation.

We present seven keys to your understanding, analysing not only the dispute between government and opposition, but also the processes that are developing in the political institutions, the social fabric, and the economic networks, while highlighting the complexities of neoliberalism and the forms of government and governance in the country.

1/ It is not possible to understand what is happening in Venezuela without taking foreign intervention into account

The rich and vast array of the country’s so-called “natural resources”; its geo-strategic position; its initial challenge to the policies of the Washington Consensus; its regional influence for integration; as well as its alliances with China, Russia and Iran, all give a considerable geopolitical significance to Venezuela. However, there are intellectual and media sectors that continually seek to avoid the very fluid international dynamics that impact on and determine the political future of the country, which highlights the persistent interventionist actions of the government and the power of the United States.

In this sense, these sectors are responsible for ridiculing the critique of imperialism, and present the national government as the sole actor of power at play in Venezuela, and therefore the sole object of political interrogation.

However, since the inauguration of the Bolivarian Revolution there has been much US interventionism in Venezuela, which has intensified and become more aggressive since the death of president Chavez (2013) and the context of the exhaustion of the progressive cycle and conservative restoration in Latin America. It is worth remembering the executive order signed by President Barack Obama in March 2015 which stated that Venezuela was “an unusual and extraordinary threat to the national security and foreign policy of the United States”. We already know what has happened to countries that are categorized in this way by the power to the north.

Now, we have the threatening statement of the head of the Southern Command, Admiral Kurt W. Tidd (April 6, 2017), arguing that “The growing humanitarian crisis in Venezuela could eventually compel a regional response”. This is combined with the evidence of the aggressive nature of the foreign policy of Donald Trump with the recent bombing of Syria, while the Secretary General of

the Organization of American States (OAS), Luis Almagro, together with other countries in the region, intends to apply the Democratic Charter to open a process of “restoration of democracy” in the country.

The ideologues and the media operators of the conservative restoration in the region are very concerned about the state of human rights in Venezuela, but fail to explain in their analysis why, strangely, there is no supranational effort of the same type in the face of the appalling crisis of human rights in countries such as Mexico and Colombia.

In this sense it seems that the moral indignation is relative and they remain silent. It is because, for reasons of political intent or analytical naivety these sectors depoliticize the role of the supranational bodies and are unaware of the geopolitical relations of power that constitute them, that are part of their own nature. While a paranoid reading of all the operations driven by these global bodies is one thing, another very different approach is a purely procedural interpretation of their actions, ignoring the international mechanisms of domination and control of markets and natural resources that have been channelled through these institutions of global and regional governance.

But there is something important to add. If we talk of intervention, we cannot just talk about the US. In Venezuela there are growing forms of Chinese interventionism in the political and economic measures that have been taken, which points to a loss of sovereignty, an increase in dependency on the Asian power and processes of greater economic flexibility.

A part of the left has preferred to remain silent on these dynamics, since it seems that the only intervention that deserves to be mentioned is that of the USA. But both streams of foreign interference are being developed to promote transnational capitalist accumulation, the appropriation of “natural resources” and have nothing to do with popular demands.

2/ The concept of “dictatorship” does not explain the Venezuelan case

From almost the beginning of the Bolivarian Revolution Venezuela has been branded a “dictatorship”. This concept remains the subject of extensive discussions in political theory because it has been challenged by the transformations and complexity of contemporary regimes and exercises

of power, especially in the current globalized era, which raises serious gaps and imprecisions in its definition.

“Dictatorship” is usually associated with political regimes or types of government in which all power is concentrated, without limitation, into a single person or group; there is a lack of separation of powers; the absence of individual freedoms, freedom of political parties, freedom of expression; and sometimes the concept has even been vaguely defined as “the opposite of democracy”.

The term “dictatorship” has been used in relation to Venezuela in media jargon of a fairly superficial, visceral and moralizing kind, practically to raise it as a kind of specificity in Venezuela, distinct from the other countries of the region, where in theory there would be “democratic” regimes.

The thing is that in Venezuela at the present time it is difficult to say that all power is concentrated in one person or group, due to the fact that in this country we are faced with a map of actors, which, although hierarchical, is fragmented and volatile, especially after the death of President Chávez, with the existence of various power blocs that can link up or be at odds among themselves and that goes beyond the dichotomy between government and opposition.

Although there is a government with a significant military component, with increasing expressions of authoritarianism and with some capacity for centralization, the scenario is highly unstable. There is no total domination from top to bottom, and there is some parity between the disputing power groups. On the other hand, the conflict could spill over, making the situation even more chaotic.

The fact that the Venezuelan opposition controls the National Assembly, winning convincingly by the electoral path, also indicates that rather than a pure absence of separation of powers, there is a dispute between them, until now favourable to the executive-judicial combination. Rather than a homogeneous political regime, we are faced with a wide and conflicting network of forces. The metastasis of corruption means the exercise of power is decentralized even more, making its centralization by the constituted power difficult.

What is relevant to the old Roman concept of dictatorship, is that, in this context, the national

government is governing through decrees and special measures in the framework of a declared “state of emergency”, which has officially existed since the beginning of 2016. In the name of the struggle against the economic war, the advance of criminality and para-militarism, and the subversive advances of the opposition, many institutional mediations and democratic procedures are being omitted.

Security policies stand out for their severity, exemplified by the Operación de Liberación del Pueblo (OLP – People’s Liberation Organization); there are direct interventions by the state security bodies in different parts of the country (rural, urban, suburbs), to “fight the underworld”, which tend to lead to a controversial number of deaths; there is the paralysis of the referendum; gubernatorial elections were suspended in 2016 and it is not yet clear when they will be held; there is increasing repression and police brutality in response to the social unrest resulting of the situation in the country; and there is an increase in processes of militarization, especially in the border areas and those declared to contain “strategic natural resources”.

This is the political map, which, together with the various forms of foreign intervention, sets the stage for a low-intensity war that runs through virtually all the spheres of everyday life for Venezuelans. This is the framework within which individual freedoms, party opposition and pluralism, the convening and realization of marches, expressions of dissent and criticism in the media, among other forms of so-called democracy in Venezuela, are developing.

3/ In Venezuela the social contract, institutions and frameworks of the formal economy are being overwhelmed

If there is something that could be defined as a specificity of the Venezuelan case, it is that the current socio-political scenario is torn, deeply corrupted and highly chaotic. We have argued that in this country we are facing one of the most severe institutional crises in all of Latin America, with reference to the set of legal, social, economic and political institutions, among others, that make up the Venezuelan Republic.

The historic crisis of oil rentier model of accumulation, the metastasis of corruption in the country, severe violations to the social fabric from the “neoliberal period” and in particular since 2013, and the intensity of the attacks and political disputes, have overflowed the frameworks of the

formal institutions of all areas of society, channelling a good part of the social dynamics by means of informal mechanisms, often underground and illegal.

In the economic sphere, corruption has become a transversal mechanism for distribution of oil revenues, diverting enormous amounts of foreign exchange at the discretion of a few, and undermining the foundations of the formal rentier economy. This occurs in a decisive manner with PDVSA, the main industry of the country, as well as with key funds like the Sino-Venezuelan Fund or a number of nationalized companies.

The collapse of the formal economy has made informality practically one of the “drivers” of the national economy as a whole. The sources of social opportunities, whether for social ascent or the possibility of higher profits, are often in the so-called *bachaqueo* in foodstuffs (illegal trade, at extremely high prices, on the black market) or other forms of trade in the various parallel markets, exchange, medicines, gasoline, and so on.

In the political-legal order, the rule of law lacks respect and recognition on the part of the main political actors, who not only mutually repudiate each other but are willing to do anything to overcome each other.

The national government faces what it considers the “enemy forces” with emergency measures, while the most reactionary opposition groups deploy violent operations of vandalism, confrontation and attacks on infrastructure. In this scenario the rule of law has been greatly eroded, making the Venezuelan people very vulnerable.

Impunity is ever greater, and has spread to all sectors of the population. This leads to corruption becoming even more rooted and impossible to prevent, and means the people expect nothing from the legal system, increasingly taking the law into their own hands.

The collapse of the social contract generates trends of “everybody for themselves” among the people. The fragmentation of power has also helped to generate, grow and strengthen various territorial powers, like the so-called “miners’ unions” that control gold mines in Bolívar state by force of arms, or the criminal gangs that dominate sectors of Caracas like El Cementerio or La Cota 905.

The framework presented implies nothing more and nothing less than the future and political definitions of the current situation in the country

being developed to a great extent by force.

#### 4/ The long-term crisis of Venezuelan rentier capitalism (1983-2017)

The collapse of the international price of crude oil has been instrumental in the development of the Venezuelan crisis, but it is not the only factor that explains this process. Since the 1980s there are growing signs of exhaustion of the model of accumulation based on the extraction of oil and the distribution of income that it generates. The current phase of increasing chaos in the national economy (2013-present) is also a product of the trends of the last 30 years in the country's economy. Why?

For several reasons. About 60% of Venezuelan crude is heavy or extra-heavy. This crude is economically more costly and requires greater use of energy and the use of further processing for marketing. The profitability of the business that feeds the country is declining with respect to earlier times, when conventional crude prevailed. This is happening as the model requires ever more rentier profits and increased social investment to deal with the needs of a population that is still growing.

The hyper-concentration of the population in the cities (over 90%) promotes the use of profits directed primarily towards consumption (imported goods) rather than production. The boom years promoted the strengthening of the extractive (primary) sector - the effects of the so-called "Dutch Disease" - while significantly weakening the already weak productive sectors. After the end of the boom (as happened at the end of the 70s and now from 2014), the economy was more dependent and even weaker in the face of a new crisis.

The socio-political corruption in the system also makes it possible for leakages and fraudulent diversion of profits, which prevents the development of coherent distribution policies to alleviate the crisis.

The increasing volatility of international prices of crude oil, as well as changes in the global power balances in oil (such as the progressive loss of influence of *OPEC*) also has significant impacts on the national economy.

While all these economic shocks are affecting the country, ecological resources will continue to be undermined and depleted, which threatens the livelihood of millions of Venezuelans for the present and future.

The government's current solution has been to greatly increase external indebtedness, distribute income more regressively, expand extractivism and favour transnational capital.

To sum up, any of the elites who rule in the coming years will have to face the historic limits that have been reached with the old oil-based model. It is not enough just await a stroke of luck and a rise in oil prices. Momentous changes are taking place and it is necessary to be prepared to deal with them.

5/ Socialism? Venezuela is carrying out a process of progressive economic flexibility and adjustment. Venezuela is developing a process of progressive and sectoralized adjustment of the economy, with more flexibility in comparison with prior regulations and restrictions on capital, and the gradual dismantling of social advances achieved in earlier times in the Bolivarian Revolution. These changes are masked by the name of socialism and revolution, although they represent policies increasingly rejected by the population.

This includes policies such as the creation of Special Economic Zones, which represents a comprehensive liberalisation of parts of the national territory, with sovereignty being delivered to foreign capital which administers practically without limitations in these regions. This is one of the most neoliberal measures of Agenda Venezuela, implemented by the government of Rafael Caldera in the 1990s, under the recommendations of the *International Monetary Fund*.

Also we should highlight the gradual relaxation of the agreements with foreign corporations in the Orinoco; liberalization of prices of some *commodities*; growing issuance of sovereign bonds; *devaluation* of the currency, creating a floating exchange rate (Simadi); acceptance of some trade procedures directly in dollars, for example, in the tourism sector; or the faithful fulfilment of payment of the external debt and its servicing, which implies a reduction in imports and consequent problems of shortages of basic consumer goods.

A renewed and more flexible extractivism is being adopted, aimed mainly at the new frontiers of extraction, such as the mega-project of the Mining Arc of the Orinoco, which proposes to install mega-mining on an unprecedented scale in a territory of an area of 111,800 km<sup>2</sup>, threatening key resources of life for Venezuelans, especially for indigenous people. These projects add to long-

term relations of dependency that are produced by extractivism.

It should be noted that these reforms are combined with the maintenance of some social assistance policies, continuous increase in nominal wages, some concessions to the demands of the popular organizations and the use of a revolutionary and anti-imperialist narrative. This obviously has as one of its main objectives the maintenance of the electoral support that remains.

We are witnessing what we have called a “mutant neo-liberalism”, to the extent that forms of commodification, financialisation and deregulation are combined with mechanisms of state intervention and social assistance.

Parts of the left have been very focused on preventing conservative governments coming to power so as to avoid the “return of neo-liberalism”. But they forget to mention how progressive governments have also made progress in a number of measures reflecting a mutant and hybrid neo-liberalism profile, which ultimately have an impact on the people and on nature.

6/ What alternative? The project of the parties of the “Mesa de la Unidad Democrática” (MUD) is neo-liberal

The right-wing Mesa de la Unidad Democrática’ (MUD – Table of Democratic Unity’) is the predominant bloc of party-based opposition to the national government, although a left opposition has been growing slowly and is very likely to continue growing. This critical left, at least in its more defined elements, is not identified with the MUD so does not link with it politically.

The MUD is not a homogeneous block, and there are sectors ranging from influential radical groups of the extreme right - which we could call “Uribistas” - as well as some sectors of moderate conservatism, and elitist liberalism with a certain distributionist tendency. These various groups have a mutually conflictual relationship characterized by possible confrontation and mutual insults.

Despite their differences, the various groups of the MUD agree on at least three key factors: its ideological matrix, the bases of its economic program and its reactionary agenda in relation to the national government and the possibility of a profound transformation of popular emancipation.

We will refer to the first two. Their ideological matrix is deeply determined by neoclassical theory

and conservative liberalism, honouring obsessively private property, the end of the “ideology” on the part of the state and corporate and individual freedoms.

These ideological pillars are clearer in the program of this bloc than in its media discourse, where the rhetoric is simplistic, superficial and full of slogans. The synthesis of its economic model is in the “Guidelines for the Program of Government of National Unity (2013-2019)’. It is a more orthodox neo-liberal version of oil extractivism, in relation to the project of the current Venezuelan government.

In spite of the slogans of “change” and “productive Venezuela”, what stands out is its proposal to extract up to six million barrels of oil per day, placing an emphasis on increasing the quotas of the Orinoco Oil Belt. Although they dispute publicly, the oil proposals of Henrique Capriles Radonski (Petróleo para tu Progreso) and Leopoldo López (Petróleo en la Mejor Venezuela) are twins, and accord with the government’s “Plan de la Patria” of 2013-2019. The change demanded is no more than another ratcheting up of extractivism, more *profit* and development oriented, with the economic and socio-environmental consequences and cultural features associated with this model.

7/The fragmentation of the “people” and the progressive undermining of the social fabric In all these processes of low-intensity warfare and systemic chaos, working people are the most affected. The powerful socio-political cohesion set up in the early years of the Bolivarian Revolution has suffered not only from erosion but a gradual disintegration. But these effects have reached the very core of the tissues of the community in the country. The difficulty in covering the basic requirements of daily life; incentives for the individual and competitive resolution of the socio-economic problems of the people; the metastasis of corruption; the channelling of social conflicts and disputes by force; the loss of ethical-political references and polarization due to the discredit of the political parties; the direct aggression against strong or important community experiences and community leaders from various political and territorial actors; they are part of this process of erosion of the social fabric that aims to undermine the true pillars of a potential process of popular-emancipatory transformation or of the capacities of resistance of the people to the advancement of regressive forces in the country.

Meanwhile, various grassroots organizations and social movements across the country are building an alternative. Time will tell what their capacity for resistance, adaptation and above all their collective ability to articulate among themselves and to exert greater strength on the course of the national political project will be.

If there is an irreplaceable solidarity that should be promoted from the left in Latin America and the world, it must be with this struggling people, which has historically borne the burden of exploitation and the costs of the crisis. Which has frequently risen up and taken to the streets so that its demands are listened to and met. Which is currently facing the complex dilemmas posed by the current times of reflux and regression. This seems to be the true point of honour of the left. The cost of turning away from these popular counter-hegemonies in the name of a strategy of power conservation could be very high.

## South America: end of a cycle? Popular movements, “progressive” governments and eco-socialist alternatives

22 December 2015 by Franck Gaudichaud

More than 40 years after the coup d'état that defeated the Chilean road to socialism and 30 years since the foundation of the largest social movement on the continent, the *Movimiento de trabajadores rurales sin tierra* (MST - Movement of Landless Rural Workers) of Brazil; 20 years since the Zapatista cry of “Ya basta!” in Chiapas against neoliberalism and the North American Free Trade Agreement (NAFTA), more than 15 years since the electoral victory of Hugo Chavez in Venezuela (and more than two years after his death), the peoples of South America and their attempts to build an emancipatory project seem to be at a new turning point. A, social, political and economic cycle of medium length gradually seems to be becoming exhausted, but not in a uniform or linear manner. With its real (but relative) progress, its difficulties and significant limitations, the experiences of the different and varied “progressive” governments of the region, whether centre-left, social liberal, or radical national-popular, claiming to be anti-imperialist or characterised in conservative circles as “populist”, the Bolivarian, Ando-Amazonian or “citizen” revolutions or simple institutional progressive changes, these political processes seem to be encountering big endogenous problems, a strong conservative backlash (national and global) and not a few unresolved strategic dilemmas.

Without a doubt, in several countries where there have been crushing electoral victories for left-wing or anti-neoliberal forces, in particular when these victories are the product of years of social and popular struggle (such as in Bolivia) or a rapid politicization-mobilization from below (such as in Venezuela), the state and its regulations, domestic economic growth, the fight against extreme poverty through specific programs for redistribution and the institutionalization of new public services have been gaining ground: a noticeable difference to the infernal cycle of privatization, fragmentation and violence of the neoliberal capitalist deregulation of the 1990s. The public force has reappeared as regulator of the domestic market, redistributing part of the income from extraction profits and subsoil resources toward the more impoverished, with direct and immediate effects for millions of citizens, a process that explains in part the solidness of the

social and electoral base of these experiences up until today (and in some cases more after more than 10 years of government). For the first time in decades, various “post-neoliberal” governments, starting with Bolivia, Ecuador and Venezuela, have showed that it is possible to begin to regain control of natural resources and, at the same time, reduce extreme poverty and social inequalities with reforms of political inclusion of broad popular sector. Also the dream of Bolivar has re-emerged at the geopolitical continental level through initiatives of alternative regional integration and cooperation among peoples (such as the ALBA-TCP), trying to regain the space of national sovereignty from the big powers of the North, military imperialism and the transnational companies or the unilateral orders of the world's financial institutions.

At a time when the old world and the peoples of the European Union are subject to the financial dictatorship of the *Troika* (*IMF*, European Commission and European *Central Bank*) and a deep economic, political, and even moral crisis, it is important to emphasize the ability shown by several popular movements and leaders in Latin America to resist and begin to rebuild multilateralism, democratize democracy and even reinvent politics, with projects that present alternatives for the twenty-first century. When a country like Greece tries to raise its head under the onslaught of the debt and the European ruling classes, when many workers, young people and collectives in this part of the world seek emancipatory directions, we can learn a lot from Latin America, its traumatic experience with neoliberal capitalist fundamentalism and its heroic attempts to counteract it from the south of the world-system.

However, as the theologian and sociologist Francois Houtart said in early 2015 the key challenge - in particular for countries that have most raised expectations of change - remains the definition of paths of profound transition toward a new paradigm of post-capitalist civilization. That is to say not being trapped in an objective of post-neoliberal modernization and even less within a welfare-oriented neo-developmentalism or an attempt at reconciliation between national growth, regional bourgeoisies and foreign capital: it is about aiming at a transformation of the social relations of production and forms of ownership. Without doubt, the task is daunting and arduous.

In this perspective and in this historic moment, despite the democratic advances conquered with

blood and sweat [1] there are multiple stresses and limits to the various Latin American “progresismos” which have emerged in the period opened in the year 2000 in the fight against neoliberal hegemony. An intellectual - today statesman - like Alvaro Garcia Linera presents these tensions (in particular between movements and governments) as potentially “creative” and “revolutionary”, as the experiences necessary to advance gradually in the direction of a “communitarian socialism” [2] taking into account the current relationship of geopolitical, political and social forces (and disregarding without much argument as “childish” all criticism coming from their left).

Within this orientation, the electoral conquest of government by national-popular forces is seen as a democratic - and “concrete” - response to the plebeian emergence of the 1990s and 2000s, and the state is considered as an essential instrument of “administration of the ordinary” faced with the kingdom of the law of value and the intensified neoliberal dissolution. In this defence of the different progresismo governments, very often analyzed as a homogeneous whole, we also find prominent intellectuals such as Emir Sader or the Chilean sociologist Marta Harnecker. [3]

### **“Capture” of the state apparatus, and capture of the left ... by the underlying forces in the state apparatus**

However, quite a lot of militants on the ground, some movements and critical analysts of various political horizons (such as Alberto Acosta and Natalia Sierra in Ecuador, Hugo Blanco in Peru, Edgardo Lander in Venezuela, Maristella Svampa in Argentina or Massimo Modenesi in Mexico, among others) insist on the ever more “conservative” dimension of the state policies of progresismo or post-neoliberal nationalism (from Uruguay to Nicaragua to Argentina [4]) and even its character as a “passive revolution” (in the sense of Gramsci). It is a transformation “from above” that actually alters the political spaces, public policies and the relationship between the state and society, but by integrating – effectively neutralizing – the eruption of the and down in the networks of institutions, organizing a sudden realignment within the ruling classes and the system of domination, slowing down the self-organization capacity and control from beneath of the peoples mobilized [5]. From this angle the “capture” of the state by force can mean the capture of the left by the forces of the deep state, its bureaucracy and the capitalist interests it

represents; seen thus the strategy of seizing power in order to change the world may end in a left seized by power, changing everything to preserve the main current of the world as such. For the Uruguayan writer Raul Zibechi:

“To the extent that the progressive Latin American cycle is ending, it seems an appropriate time to start to draw long term *balance* sheets, that you do not stop at conjunctural or secondary elements, to begin to sketch an overall picture. It goes without saying that this end-of-cycle is disastrous for the popular sectors and the people of the left, we are filled with uncertainties and anxieties over the immediate future, by the repressive right-wing that we must face”. [6]

In the last few weeks an avalanche of articles of opinion – several of which we have already published in Rebellion.org – have discussed the existence or not of a progressive “end of cycle” or even of the existence of such a “cycle”, this debate reaching such a level of polarization that some authors accuse others of “capitulation” or being “Cafetín leftists” (thus García Linera), while others are accused of having been converted into intellectuals commissioned by and sympathisers in the service of the states of the region and governments which are no longer progressive but regressive. This dialogue of the deaf does little to unravel the current political situation. The notions of a possible “reflux of the change of era” [7] or, from a contrary perspective, the idea of a gradual “end of the progressive hegemony” are probably [8] more useful to begin this discussion in a more constructive manner. All while recognizing that this phenomenon occurs in highly differentiated territorial-national conditions: “This slippage is more noticeable in some countries (e.g., Argentina, Brazil and Ecuador) than in others (Venezuela, Bolivia and Uruguay) because in these last few relatively compact progressive power blocs remain and strong cleavages to the left have not opened up. In particular, Venezuela was the only country where the widespread participation of the popular classes was given momentum with the creation of the communes from 2009.” [9]

Beyond the controversy about the dimension of the exhaustion, inflection or reflux of the current period, and highlighting the variety of the processes analyzed, it emerges that at many levels the progresismo governments seem to have finally opted, under pressure from global and endogenous players, for a “modernizing realism”, which is often the best path to justify a renunciation of structural changes in an anti-capitalist direction: a

dynamic that could be symbolized by the meeting (July 2015) between the Brazilian president Dilma Roussef – a militant of the Workers’ Party - and the war criminal Henry Kissinger (former US Secretary of State), at a time when Dilma was looking for imperialist political support faced with a rise in opposition within civil society and a right revitalized by the amplitude of governmental corruption cases. For sure, the aim of the executive of the main Latin American power with this type of diplomatic gesture is first and foremost to support “their” dominant sectors and provide more “security” for business in Brazil. From another angle, the covert free trade agreement signed in 2014 by Ecuador with the European Union reminds us of the limits of the discourse on the “end of the neoliberal night” even on the part of one of the exemplars of this perspective at a discursive level. Today, this government, faced with the right and denouncing the dangers of a “soft coup”, is also faced with social and indigenous movements (and even with a weak left), to the point that we could talk about a situation of “political impasse”, in the sense developed by the Marxist Agustín Cueva, where the figure of the President plays a functional role of stabilizer to capital:

“There have been recurring moments in the history of Ecuador where the intensity of the horizontal conflicts, inter-capitalist, in combination with the vertical struggles between the ruling and popular classes, were too much to be supported by the existing forms of domination. While the politicians were looking for new more stable forms of domination, instability reigned until an impasse was reached.” [10]

More generally, it is necessary to mention, even if it is not the only problem, the presence in all the progressive countries of a productive model of accumulation combining, at various degrees and intensities, state capitalism, neo-developmentalism and extraction of primary and energy resources, with damaging effects on indigenous communities, workers, and ecosystems. This endogenous tension is articulated, in a combined and unequal manner, with a ferocious globalized financial context and the central fact of the current situation: the economic crisis that has hit the region heavily, causing a sharp fall in the price of raw materials and in particular of the barrel of oil (from almost \$150 to less than \$50), thus ending the previous period of booms and exposing again the dependent and neo-colonial productive matrix of Latin America, the cursed inheritance from centuries of

imperialist subjection. This context corresponds in time with a clear offensive of transnational capital, from the states of the North and some giants of the South (starting with China) to capture more agricultural land, energy, minerals, water, biodiversity, labour, in a maelstrom that seems without end. In countries like Bolivia or Ecuador where there is more political awareness of these dangers, the government and its political supporters quite sensibly defend the tactic of moving through a necessary industrialized-extractive period to build the transition with some economic strength: that is something like a “post-neoliberal transitional extractivism” to enable small countries with few resources to develop, create wealth from primitive accumulation in response to the immense social emergency which exists in these impoverished nations and at the same time begin a slow process of change of model of accumulation. However, according to Eduardo Gudynas, executive secretary of the Latin American Centre for Social Ecology (Centro Latino Americano de Ecología Social - CLAES):

“There is no evidence that this is happening for several reasons: the first is that the way in which the wealth generated by extraction is in good part allocated to programs that deepen extractivism, for example, increase fuel reserves or encouraging mineral exploration. Second, extractivism has economic side-effects that inhibit processes of autonomy in other productive sectors, in both agriculture and industry. The government would need to take precautionary measures to avoid such deformation and that is not happening, in fact, there is a drift to promote agricultural export crops while increasing food imports. Third, as the extractive projects generate so much social resistance (recent examples are the Guarani in Yategrenda, Santa Cruz, or the Yasuni Reserve in Ecuador), that governments have to defend them so intensively that the extractivist culture is strengthened in broad sectors of society and the search for alternatives is therefore inhibited.” [11]

### **Multisectoral popular protests**

In fact, it is not by chance that the cycle of popular struggles and mobilizations that is emerging in the heart of America, announcing - perhaps - a new historical period of class struggles, is directly linked to this depredation and repression and its consequent socio-territorial resistance:

“The resistance is centred on mining and *monoculture*, in particular soya, as well as in urban speculation, or in the various modes of

extractivism. According to the Observatory of Mining Conflicts in the region there are 197 active conflicts in mining which affect 296 communities. Peru and Chile, with 34 conflicts each, followed by Brazil, Mexico and Argentina, are the most affected countries.” [12]

This tendency is reflected in the context described previously of strong shadows over economic growth in recent years, the profound crisis of world capitalism which is still ongoing and the permanence of immense social inequalities and regional imbalances throughout the continent. On the other hand, it is necessary to emphasize the major offensive by the various business and media right wings and by the oligarchies in the region to take advantage of the end of progressive hegemony to recover the ground lost over 15 years to different charismatic and progressive leaders. The conservative and neo-liberal right continues to control -at the political level - cities, regions and key countries (like Mexico and Colombia), threatening steadily the rights established in the last decade and the process of a new regional integration more independent of Washington. We know that these regressive forces were and are ready to organize multiple forms of destabilization, and even coups (as in the last decade in Paraguay, Honduras and Venezuela), with the explicit or indirect support of the imperial agenda of the US.

However, from the bottom up, popular multi-sectoral, aboriginal, student and worker protests also advance their own agendas and claims, realizing the limits of the profound transformations made in the countries where “post-neoliberal” forces rule and their absolute absence where the neoliberal right still dominates, denouncing the various forms of repression, intimidation or cooption in both cases: collective opposition to genetically modified soya or workers’ strikes in Argentina; big street mobilizations of youth in major Brazilian cities demanding the right to the city and against corruption; deep crisis of the Bolivarian project, violence of the opposition and reorganization of the popular movement in Venezuela; in Peru, peasant and indigenous struggles against megaminer groups (such as the Conga project); in Chile, Mapuche, employees and students denouncing the cursed inheritance of the Pinochet dictatorship; in Bolivia, criticism by the Central Obrera Boliviana and sectors of the indigenous movement of the policy of “modernization” of Evo Morales; in Ecuador, abandonment by President Correa of the

Yasuni oil project and confrontation between the executive, the Confederation of Indigenous Nationalities of Ecuador (Confederación de Nacionalidades Indígenas del Ecuador - CONAIE) and significant layers of organised civil society; in Colombia, a search for a real peace, i.e. a peace with social transformation, economic and agrarian reform and so on.

The scene is tense and shaky. But, in spite of everything the “old mole of history” (in the sense that Marx understood it) is still digging and a wide variety of experiences of social struggles, class conflicts and political debates accompanied by multiple exercises of popular power, radical alternatives and utopias in construction are visible [13]. If some critical intellectuals could believe for a time that Latin America - or better said Abya Yala - could reach the new El Dorado of “21<sup>st</sup> century socialism” thanks to a “left turn” government and democratic electoral victories, we know that the roads to emancipation are more complex and deeply sinuous, and that the power apparatuses (military, media, economic) of the Latin American and imperial oligarchies are strong, resilient, entrenched and ferocious if necessary. Transforming the social relations of production and disrupting the dominations of “race” and gender in the societies of our America is a dialectic that will undoubtedly need to start from below and from the left, from class autonomy and independence, but always in a political key, and not from an illusory change without taking power.

### **Ecosocialismo nuestroamericano of the 21<sup>st</sup> century**

This is without denying that these collective attempts of people’s power should continue to rely on partial electoral gains or be able to consider the importance of conquering institutional spaces and supports within the state, if - and only if - the development of such new public policies are placed at the service of the “communes” and the subalterns. Can we use the state to finish with the (capitalist) state, using it for a time as barrier of containment of colossal hostile forces outside? Or, as Marx found, is the state essentially the creature of the dominant which we cannot use as tool without risking that it colonize our minds, souls and practices?

It is clear that the control of the executive represents “only” the conquest of a partial power, and even more limited if there is no parliamentary majority and a mobilized social base - let us

remember the lessons of Chile and how Salvador Allende and the institutional route to socialism of Popular Unity was defeated in 1973. That's why a left-wing and popular government [14] shows its true alternative character when it serves as a lever and stimulus for the self-organised struggles of the workers and the popular or indigenous movements, favouring dynamics of real empowerment, transformation of the social relations of production, construction of self-management and emancipatory roads to "living well". In the contrary case, the political forces of the left are sentenced to manage the existing order, and even in time of instability to rise above the social classes in a Bonapartist manner to perpetuate the state Leviathan, administering domination in a more or less "progressive" manner, with more or less friction with the local elites.

Without doubt, the inflection and doubts represent current dangers and opportunities; it is also the time to go back to discuss what's new without forgetting the old and to discuss anti-capitalist strategies to build what we propose to call an "ecosocialismo nuestroamericano" of the twenty-first century: a project that is not a carbon copy, which rejects being overwhelmed by myopic electoral tactics, by the struggles of caudillos and bureaucratic apparatuses, but without accepting the pull and the illusion of the construction of a plurality of social autonomies without common political project, a centralized minimum. With this project, it is essential that we open eyes, smells, senses and hearts to those collective experiments underway, often existing above and below the consensual media radar, no doubt still dispersed or little connected, but that make up a huge river of struggles in a permanent state of transformation, from the real and concrete, from their mistakes and successes. Experiences that allow us to understand dynamic emancipating, original collective attempts and the dangers they face or circumvent.

For sure, we cannot point to an ideal manner of successful attempts at revolt, but rather a mosaic of praxis-knowledge-actions: some focused at the agricultural and the territorial levels, others focused on production and occupied factories, others on the neighbourhood and urban community, others originating from state or institutional policies but controlled by the users: struggles by women against patriarchal violence, of the homeless, indigenous people, the working class in several countries, an example of the agro-ecological alternative in Colombia, the demands

for "living well" in Ecuador, the commune councils in Venezuela, or the factories without bosses in Argentina, community media in Brazil and Chile, the community patrols in Peru and Mexico and so on.

"Local organizational initiatives to take and exercise popular power, virulent street protests of rejection of decisions taken by the national and transnational regime; but also constituent assemblies capable of re-founding utopia, recovery of the reins of the political at the level of the states; the roads to emancipation are far from univocal. As experiences, they suppose trials, hesitations, and convolutions. But also, conquests. Complex, sometimes contradictory, but profound and authentic, experiences (that) constitute a source for those who participate in the task of reinventing societies and the way of doing politics,, who act as citizens of the countries of the region or women and men from other areas who have taken the difficult path of resistance and emancipation." [15]

This plurality of voices and of examples allows us to pick up the thread of a discussion which already runs through the veins of the continent; allows us to think beyond the progressive governmental projects, assuming that it is, at the same time, indispensable to create socio-political fronts to confront the threats of the return of the right wing and imperialism in South America. Above all, it obliges us to think against the tide, against a "left which is contemplative, institutional, administrative, a left of aspiring officials and civil servants, a left without rebellion, without mysticism, a left without left". [16] And it obliges us to think critically about our own developmentalist and teleological myths, assuming the global urgency of a mauled planet on the brink of ecological and climate collapse. For sure, it is essential to recognize that these various experiences that we have mentioned here briefly on how to change the world are contradictory, or even divergent: some isolated, very localised and others, on the contrary, institutionalized or dependent on the state. Hence the *interest* in resuming the major strategic debates of the twentieth century, but starting from current times and remembering the balance sheets of painful past defeats: how do undertake a post-capitalist and eco-socialist transition in the twenty-first century? What will be the role of the political-party tools and of the movements in this transition? What is the role of the armed forces, the parliamentary system, and the trade unions?

Do we destroy them, use them, transform them, avoid them, split them... very well, but in any case: how? And in what way can we reconstruct common senses, cultural hegemony and an anti-capitalist left from and for the people? How do we avoid forging illusions about small affinity groups closed in on themselves and, at the same time, avoid the state-centred bureaucratic horror of the twentieth century?

The great Rosa Luxemburg said in 1915, “advance to socialism or regression to barbarism”. In 2015, her words are all a sense even more catastrophic and premonitory: “eco-socialism or global ecocide”. Without doubt, it is from the “audacity of the new” that we will be able to tear down the walls of capital, wage labour, neo-colonialism and patriarchy:

“Changing the world sounds very ambitious. What is more, it seems pretty risky if you take into account all the power groups that would never allow you to remove capitalist civilization. But in the current circumstances, there is no other alternative. The living conditions for broad segments of the population and the land itself degrade rapidly. We are approaching a point of no return. And the option to switch planets does not exist. (...) We must accept the challenge. We must be rebels in relation to power (and maybe even desire its destruction). We must accept our limitations as human beings in nature. We must hate all forms of exploitation. We must oppose injustices and those who commit them. We must not resign ourselves. We must continue to demand and build the impossible”. [17]

The task has already started; it is our daily bread, today and tomorrow.

View

online : <http://www.internationalviewpoint.o...>

#### Footnotes

[1] Such as the construction of multinational states, the installation of more or less institutionalized social rights, the creation of constituent assemblies and spaces for community participation or the regional integrationist impulse.

[2] Alvaro Garcia Linera, “Las tensiones creativas de la Revolución”, La Paz, 2011.

[3] Emir Sader, “¿El final de un ciclo (que no existió)?”, Pagina 12, Buenos Aires, September 17, 2015 and Marta Harnecker, “Los movimientos

sociales y sus nuevos roles frente a los gobiernos progresistas”, *Rebelión*, July 9, 2015.

[4] It should be noted here that, for us, the current Chilean government of Michelle Bachelet is clearly outside of this category, as a “reformist” continuation of the neoliberalism of the governments ran the country between 1990 and 2010.

[5] Modenesi, Massimo, “Revoluciones pasivas en América Latina. Una aproximación gramsciana a la caracterización de los gobiernos progresistas de inicio de siglo”. In: Modenesi, Massimo (coord.), *Horizontes gramscianos. Estudios en torno al pensamiento de Antonio Gramsci*, México, FCPyS-UNAM, 2013.

[6] Zibechi, Raul, “Hacer balance del progresismo”, *Latin American Summary*, August 4, 2015.

[7] Katu Akornada, “¿Fin del ciclo progresista o reflujó del cambio de época en América Latina? 7 tesis para el debate”, *Rebelión*, September 8, 2015.

[8] Massimo Modenesi, “¿Fin del ciclo o fin de la hegemonía progresista en América Latina?”, *La Jornada*, September 27, 2015.

[9] Massimo Modenesi, op. cit.

[10] Jeffery R. Webber, “Ecuador en el impasse político”, *Viento Sur*, September 20, 2015.

[11] Ricardo Aguilar Agramont, “Entrevista a Eduardo Gudynas: La derecha y la izquierda no entienden a la naturaleza”, *La Razón*, August 23, 2015.

[12] Zibechi, Raul, “Hacia un nuevo ciclo de luchas en América Latina”, *Gara*, November 3, 2013.

[13] Pablo Seguel, “América Latina actual. Geopolítica imperial, progresismos gubernamentales y estrategias de poder popular constituyente. Conversación con Franck Gaudichaud”. In: GESP (coord), *Movimientos sociales y poder popular en Chile*, Tiempo robado editoras, Santiago, 2015, pp. 237-278.

[14] See Marta Harnecker, op. cit.

[15] Tamia Vercoutère, prologue to the Ecuadorian edition of the book *América Latina. Emancipaciones en construcción*, Quitogo, IEAN, 2013.

[16] Pablo Rojas Robledo, “Hay que sembrarse en las experiencias del pueblo”. *Fin de ciclo, progresismo e izquierda. Entrevista con Miguel Mazzeo*, *Contrahegemonía*, September 2015.

[17] Miriam Lang, Belén Cevallos and Claudia López (comp.), *La osadía de lo nuevo. Alternativas de política económica*, Quito, Fundación Rosa Luxemburg/Abya-Yala, 2015, pp. 191-192.



## **Faced with Nicaragua's social and political crisis - Solidarity with popular demands and against Ortega repression!**

Statement adopted by the Executive Bureau of the Fourth International on 28 October 2018

### **The Sandinista Popular Revolution**

The Sandinista National Liberation Front (FSLN) was born as a "vanguard organization" with an anti-imperialist and revolutionary orientation, as established in its Historic Programme (1969), "capable of taking political power (...) establishing a social system that wipes out the exploitation and poverty that our people have been subjected to in past history."

When the Somoza dictatorship was defeated in July 1979, the FSLN had the broad support of the bulk of the population and tried to lay the objective and subjective foundations of a revolutionary project of a socialist character, although there were great challenges to face in a country with a highly dependent economy and a profound social destructuring, not to mention the counterrevolution that the United States promoted in the 1980s, which was decisive in this stage of Sandinism. The Fourth International immediately celebrated the overthrow of the dictatorship and was in full solidarity with the revolutionary popular movement.

Aware that radical economic and social transformations would be gradual, the FSLN promoted a Junta de Gobierno de Reconstrucción Nacional where the Sandinista bloc and the bourgeoisie were represented. It was therefore proclaimed that the principles of the revolution were the mixed economy, political pluralism and non-alignment, as necessary strategies in the short term.

In the long term, the Historic Programme of the FSLN was the general framework to be developed, although it was not carried out in its entirety, leaving important deficits with respect to women's emancipation (in particular leaving untouched the restrictive abortion laws which only permitted terminations if a woman's life was at risk) or the demands of the peasantry, as well as very serious errors such as respecting the foreign debt contracted by Somoza and the implementation of

monetarist policies at the end of the 1980s. Nevertheless from 1988, the Sandinista leaders introduced a structural adjustment plan that degraded the conditions of the poor without affecting the rich. These policies very much resembled the usual conditions imposed by the IMF and World Bank while at the same time, under pressure from Washington, the two institutions had suspended their aid to the Sandinista authorities. These adjustment policies were very much criticized by certain tendencies within the FSLN because they burdened the popular classes with the adjustment effort.

However, the Programme of the FSLN did include the construction of a Revolutionary Government that allowed full participation of the whole population, both at the national and local level, respect for human rights, freedom to organize the union movement in the cities and countryside, the freedom to organize groups of peasants, youth, students, women, etc. Latifundios were expropriated, land was redistributed and trade unions and peasant associations were formed. There was also the nationalization of factories, buildings and other assets of the Somoza oligarchy.

During the following eleven years, education was generalized, the university was opened to the popular classes, social assistance programs were created and a universal health system and other basic services were set in motion, and Sandinista Defence Committees (CDS) were launched to organize the population of the neighbourhoods.

The FSLN also established a fair tax policy, labour rights, and historic social justice for the Caribbean Coast, because of the exploitation and discrimination against native indigenous peoples. It was therefore a socialism-oriented programme that prepared the material conditions for it, with tactical and strategic approaches, which, despite the difficulties of the context and the threat of U.S. imperialism, opened new promises of rupture with the hegemonic system.

However, the agrarian reform did not go far enough: the expropriations focused mainly on the assets of Somoza and his allies, and spared the interests of major capitalist groups and powerful families whom certain Sandinista leaders wanted to turn into allies or fellow travellers. Furthermore, instead of giving priority to small and medium

farms, the FSLN quickly created a State agrarian sector and cooperatives, which was not in line with the attitudes of the rural population, parts of which became attracted by the counterrevolutionary Contras.

Self-organization and workers' control were not encouraged enough. Part of the FSLN leadership was trained in Cuba in the 1960s-1970s, which, under the influence of the Stalinized Soviet Union,

was then promoting popular organization within a very controlled and limited framework. As a result, the masses could not fully participate in their own emancipation.

### **The betrayal of the FSLN's Historic Programme and the establishment of an authoritarian corporate regime**

When the FSLN was defeated electorally in 1990, the new international situation favoured the right, capitalist restoration in Eastern Europe deprived Nicaragua of international allies. But people were also increasingly discouraged by the direction the revolutionary process was taking. In the Sandinista rank and file there was uneasiness due to the bureaucratization and verticalism of the National Directorate of the FSLN, which elected the members of the CDS, union posts, territorial cadres and intermediate commanders. Gradually, the absence of democratization in these structures led to the development of a bureaucratic Sandinista leadership that enjoyed privileges that contrasted with the reality of the great majority who were asked to make economic and social sacrifices in the name of the revolution.

When the main commanders of the National Directorate, public offices and middle management grabbed – in what is popularly known as the piñata – the lands, coffee plantations, mansions, haciendas, automobiles and other state properties that the revolution had taken over in the name of the vast majority, this malaise deepened. The arguments presented by the Commandantes were that this was to prevent the enemy from taking possession of what had cost so much blood, but this was not enough to explain to the population the personal enrichment of the then incipient Sandinista bourgeoisie.

Subsequently, the FSLN under Daniel Ortega adopted an attitude that swung back and forth

between compromise and confrontation with the government of the National Opposition Union (UNO) of Violeta Chamorro. The National Directorate of the FSLN, controlled mostly by Daniel Ortega's Democratic Left current, on the one hand encouraged the struggles against privatizations, while on the other, in the National Assembly, it supported the Chamorro government that carried them out.

At the end of the 1990s, Ortega concluded a pact with the Constitutionalist Liberal Party (PLC) of Arnaldo Alemán, who had been President since 1997, in a sort of coexistence with the most conservative and corrupt right wing. These were "dangerous friendships" for a revolutionary project. However they were profitable for Daniel Ortega's FSLN and Alemán's PLC, who obtained different benefits from such pacts. This was seen with the PLC's support of Ortega faced with the denunciation of the sexual abuse of his stepdaughter Zoilamérica Narváez. And years later, when Alemán, who had been sentenced to 20 years' imprisonment for the galloping corruption of his government, was allowed to serve out his sentence under house arrest thanks to the men Ortega had placed in the judicial system, until the Supreme Court quashed the conviction in 2009 during Ortega's presidency.

The reform of the Electoral Law in the year 2000, promoted by Sandinista and liberal deputies was another product of the Ortega-Alemán pact. The reform allowed the presidency and vice-presidency of the Republic to be won with a minimum of 35% and outstripping the second place candidates by a difference of five percentage points. This new Electoral Law allowed for Daniel Ortega, who had lacked enough support since 1990, to be elected in 2006 with 38.07% of the votes.

As part of the opposition, the Sandinista parliamentary group voted in 2006, in agreement with the conservative deputies, for a law that completely prohibits abortion. They did so as part of the pact with the right wing that allowed the FSLN to return to the presidency of the republic with the elections at the end of 2006. And it was under the presidency of Daniel Ortega – who refused to reverse the law – that this prohibition was included in the new penal code that came into force in 2008. This prohibition does not allow for any exceptions, even if the health or life of the pregnant woman is in danger, or the pregnancy is the result of rape.

This move accompanied the progress made in this treaty by the FSLN MPs was accompanied by consolidating other dangerous friendships: this support for changes in a whole series of laws to time, with a former FSLN adversary, Cardinal conform to the conditions imposed by the USA. Miguel Obando y Bravo, whom Ortega reinstated Other free-trade treaties were approved with the to public life as President of the Peace and FSLN's support: a treaty with Taiwan (which Reconciliation Commission, a body set up to came into force in 2008), one concerning Central ensure that those demobilized from war complied America with Mexico (2011) and another between with the agreements. This was the beginning of Central America and the European Union (2012). another privileged relationship between Ortega's FSLN and the de facto powers. In order to win the In 2006, Nicaragua was a beneficiary of debt relief votes of the conservatives, Daniel Ortega married within the framework of the Heavily Indebted Rosario Murillo in church before the election of Poor Countries initiative – the IMF cancelled \$206 November 2006, with Cardinal Obando million of Nicaragua's debt. When Ortega came officiating. back to government in 2007, the IMF programme was over and the Fund saw no necessity to sign a

It was also after Ortega's return to the government new one as it considered Nicaragua's debt to be that the FSLN formalized the agreements with sustainable. Daniel Ortega's government COSEP, establishing an alliance between these nevertheless insisted on implementing a new two sectors, presented as a space for tripartite programme in order to attract foreign investors. agreement between the government, the private The IMF eventually agreed, demanding from the sector and the unions. However, the participation government to deepen the neoliberal policies of the unions was token, since they had been co-pursued by the Right and to apply fiscal austerity opted by the interests of the FSLN, that is, the in order to have a primary fiscal surplus. Ortega-Murillo tandem, as evidenced by the positions of the Central Sandinista de Trabajadores Thus the Bretton Woods institutions have no (CST) in cases of workers' struggles against large reason to reproach the Nicaraguan government. employers such as the Pellas family or the The IMF notes "Nicaragua's success in minimum wage agreements. Thus, little by little, maintaining macroeconomic stability" (March from the formulation of laws to wage negotiations, 2016). During the last visit of its technical staff the Nicaraguan political economy was (February 2018), this organization has declared subordinated to the interests of the big national that "economic performance in 2017 was above capital. However, a pact of this nature cannot be expectations and the 2018 outlook is favourable". restricted to big national capital, since its own As for the World Bank, it chose the very moment dynamic leads to transnational capital, in particular in April 2018 when Ortega's government had just to the extractive industry and, above all, to mining. announced neoliberal measures concerning social Underlying all this is the neoliberal logic security to congratulate Ortega on his sound prevailing in the region: the channelling of public economic policies. In other words, Nicaragua has resources to private investments, the outsourcing functioned within the guidelines that these and privatization of services, tax exemptions and organizations impose on the region. benefits for capital, etc.

The free trade agreement with the United States All this has been possible with FSLN majority control of the Assembly. In addition, in November was adopted in 2005. Although the FSLN 2013, Ortega introduced an initiative for a Law to parliamentary group, then in opposition, voted Reform the Constitution of the Republic, which against its ratification in October 2005, in 2006, included the proposal to elect the President with a FSLN parliamentarians supported changes in a "relative majority" of votes, independent of the series of laws that allowed the conditions imposed percentage achieved, and to allow indefinite by the US to be confirmed. Moreover, once in presidential re-election. Currently, Ortega's FSLN power from 2007, Daniel Ortega's government did has absolute control of the Assembly, with 71 not attempt at all to repeal this free trade deputies out of a total of 92. agreement with the US superpower. This was a But there remain two great betrayals by the FSLN further shift in the FSLN's orientation as it had of its Historic Programme that cannot be left previously accused the government of President unmentioned. The first is the demobilization and Enrique Bolaños of subjugating Nicaragua to Washington's economic interests. The approval of

destruction of the grassroots organizational fabric incompatibility that extractivism has as an engine and of the large social movements, mostly co- of development that does not benefit the great opted by the regime. This takes place through majority, nor the communities that suffer its control at different levels, from the legal negative effects, as was seen in Rancho Grande or normative, with the ban on standing in elections Mina El Limón. In both cases, in the face of with independent lists, and by the control community organization and mobilization, the exercised through the Councils of Citizen Power response has been repression. The same happens (CPC), which are vertical forms of organization with mining, hydroelectric and agribusiness that pursue the control of citizens for the purposes projects. of power of the presidential couple.

But of all these projects that are a threat to The other betrayal is of women's rights which, communities and the environment, there is one given the total prohibition of abortion, the reform that has provoked an important mobilization, of the law of male violence, the persecution of the nationally and internationally that Ortega has not feminist movement critical of the regime, impunity been able to hide: the projected construction of an for years of sexual abuse of Zoilamérica, etc., inter-oceanic canal that proposes to split the challenges the entire political and social system country and the region in two, from the Caribbean built around Ortégismo. In 2012, after a major Sea to the Pacific Ocean, crossing Lake Nicaragua, campaign by grassroots women's organizations – the main freshwater reserve in Central America. In which started at the time of the revolution – this case, the response has been the persecution, Nicaragua introduced Law 779 against violence repression and stigmatization of social against women. This law removed the previous movements.

requirement for mediation in cases of abuse. This law was the result of a progressive campaign, but Thus, the government, which serves the interests there was a reactionary one against it, driven by of private capital (whether owned by local the Catholic hierarchy which labelled it as “anti- “traditional” capitalists, or bureaucratic or foreign family”. This resulted in the law being seriously ones) not only acts to repress the people in favour weakened by an amendment reintroducing of the transnationals, but is also complicit in the compulsory mediation 15 months after it was first destruction of the environment and guilty of passed, with no resistance from the FSLN. widespread violations of human rights.

### **Feminist and worker-peasant based fronts of struggle. State repression as a response.**

### **April 2018 and the popular mobilization against the regime: Ortégismo crosses the rubicon.**

At this point, it has been demonstrated that the Historic Programme of the FSLN, committed to rights and equality among people, is contradictory government, a time in which enough social to the drift taken by Ortégismo. Within all the discontent has accumulated for two events to open fronts of struggle, it has been the women's trigger the upsurge of April 2018: the movements, critical of the government, who have government's inaction in the face of the Indio not given up on the denunciation of the changes to Maíz Reserve fire and the proposed reform of the Law 779, which reduces femicide to the realm of Nicaraguan Social Security Institute (INSS). This the relations of heterosexual couples or which reform would have cut current pension benefits by includes mediation with aggressors as a 5%, limited the indexation of the pensions over the mechanism for conflict resolution. In other words, inflation rate, and introduced cuts to future the law has been vilified, as are the bodies of pensions for around one million wage-earners that Nicaraguan women exposed to these laws or could have been as high as 13%. demonstrating in the streets for their rights.

Other fronts are located in the fight against extractivism and there are different examples of popular discontent against the regime. The social outburst brought the gaze of the international community onto Nicaragua and the conflicts between the accumulation of capital and the sustainability of life itself, derived from the

On April 18, demonstrations and protests erupted human rights organizations, including the UN spontaneously and peacefully in important cities, itself, show the point of no return at which the such as León and Managua, and were immediately regime has arrived. After the massive use of terror violently repelled by the government. Various meant to repress and intimidate the population, the human rights reports refer to organized pro- government took back control of the streets by the government groups or "shock forces" recruited middle of July. Since then, several hundred from the Sandinista Youth, in addition to riot people, labelled as "terrorists" by the government, police. This disproportionate use of violence fed have been arrested and are still imprisoned, with the protests and mobilizations of April 19 through their rights not respected – the associations of the so-called "autoconvocados": tthat is young defence of human rights are not allowed to access people, students, workers, etc., who organized the prisons, nor are the lawyers of some detainees. takeovers of streets and cities through the Some of them have been intimidated and tortured "tranques". This gradually spread through the in order to force them to give false confessions country to cities like Masaya, Granada, Matagalpa, that would support the claim that the government Rivas and Estelí, adding to other collectives and faces a plot to remove it by force. movements. Since that day, the government of Ortega-Murillo has continued with police and As a result of the repression, sections of the military repression and, in particular, the actions of population have been sufficiently intimidated that paramilitary groups, which have indiscriminately they do not take part in street protests. shot the population. These groups are masked, Nevertheless, many demonstrations have been heavily armed and operate in full impunity, in the organized, but they have not gathered as many daylight and alongside police forces. This participants as between April and July 2018. They indicates that they act in full agreement with the have been organized by a diversity of movements and organizations: Articulation of Social Movements and Civil Society Organizations, Civic

On April 22, given the broad participation in the Alliance for Justice and Democracy, Student demonstrations, Ortega cancelled the INSS reform. Movements, April 19 Movements (throughout the On April 24, the Government agreed to initiate a country), community-based organizations, National Dialogue through the Civic Alliance for Mothers of April, Political Prisoners Committees, Justice and Democracy, composed of civil society Women's Movements and feminist networks, organizations, students, peasants and even the LGTBIQ collectives, University, unions and business sector, and with the Catholic Church as independent trade associations ... But there is a mediator, with the goal of resolving the conflict. consensus that Ortega and Murillo must leave the At that time, the social movements already had government and the need to rebuild Sandinismo clear demands for establishing dialogue: no without Ortega.

negotiation without the cessation of repression, a But all these organizations are also against guarantee of justice and reparation for the external interference that seeks a way out of the demonstrators killed in the previous days, and the departure of the Ortega-Murillo duo from power, conflict towards an "Ortegismo sin Ortega"; that as a non-negotiable objective. The demand of the is, the maintenance of a clientelist structure that social movements was thus to negotiate a post- safeguards the economic interests of national and Ortega transition. However, after insisting on these transnational capital. Hence, one of the major points, the government decided to suspend the current challenges for the movements is the debate dialogue. For the social mobilization, to continue and consensus on that transition and roadmap and negotiating in this context would have meant a that actors such as COSEP, currently key to the reinforcement of Ortegismo and its repressive exit of Ortega-Murillo, do not pose a threat to an regime. emancipatory social and economic project.

At the same time, there has been a rapid response At this point of no return, the regime is using anti- from state institutions to legitimize repression, for imperialist rhetoric to portray an attempt at a "soft example, with the enactment of the Anti-Terrorism coup d'état" as has occurred in other countries in Law, which criminalizes and persecutes specific the region. The current orthodox anti-imperialism profiles of leaders of social movements. is reduced to a useful screen for self-legitimatón Thousands of exiles and more than 400 dead, as on the international stage, but it reduces a conflict well as the expulsion of national and international with deep and complex roots in the national reality

to external interference. Internally, it benefits only Sandinista Revolution, supports the leftist and a group of people privileged enough not to suffer democratic sectors of the resistance, rebellion and the worst effects of the regime they have popular power against the current Ortegista regime constructed in Nicaragua. and demonstrates solidarity with the sectors struggling to refound a Sandinismo that is anti-

A section of the international left supports this capitalist, democratic and respectful of human view of the conflict. It considers imperialist rights, and that is capable of getting rid of the powers – starting with the United States and their neoliberal and repressive despotism that is allies in the region – to be largely responsible for crushing the Nicaraguan popular classes. destabilising the country, and that a dominant

sector of the protest movement is being led or manipulated by the reactionary right. This part of the international left is suspicious of reports asserting that the regime bears the main responsibility for the hundreds of deaths that resulted from these dramatic events, or even considers these as outright false claims.

Yet Ortega and his supporters cannot prove this so-called attempted coup d'état. Most demonstrators have not used terrorist methods. The government cannot prove the involvement of a single foreign mercenary. No sector of the army has been denounced by Ortega for supporting the idea of a coup, and in the last analysis the army has stayed on the side of the regime up to now.

Faced with the facts presented here, it is simply fallacious to see soft coups d'état in the Nicaraguan case. It is equally irresponsible to argue that current mobilizations can be reduced to vandalism by some, or that human rights, and especially women's rights, are objects of negotiation or currencies of exchange for any society. This is even less the case for the society that we aspire to build as a revolutionary left. It is also fallacious to present Ortega's government as a socialist or leftist government, given the policies which have been implemented for the last eleven years in favour of capital – as is shown in the support of the IMF, the World Bank and big capital for Ortega, as well as the support from capitalist powers, including US imperialism, until the repression became too strong for them to continue supporting the regime publicly. No people has to be satisfied with less than the noblest aspirations of freedoms, democracy, social justice and human rights that it has achieved, in this case, synthesized in the Sandinista ideals. The logic of the lesser evil ends up being the shortest way to the greater evil!

For all these reasons, the Fourth International, which from the beginning built solidarity with the

**Stop the repression of Nicaraguan popular movements! Immediate liberation of all political prisoners!**

**For women's rights! Legalize abortion now!**

**Down with the criminal neoliberal regime of Ortega-Murillo!**

**Against any kind of imperialist interference in Nicaragua's internal affairs! For the right of the people in Nicaragua, in Central America and beyond to take their fate into their own hands!**

**For the Sandinista refoundation! Towards an ecosocialist alternative to the extractivist export-oriented model and to the capitalist system, which implies a break that needs the highest level of democracy and self-organisation!**

We will articulate these demands in a campaign of internationalist solidarity with the victims of the repression in Nicaragua.

*Executive Bureau of the Fourth International*

*Amsterdam 28 October 2018*