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Debacle in Brazil, victory in Mexico....

Is Latin America's 'pink tide' history?



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Editor's Note

EVER since the Americas were 'discovered' by European explorers in the 15th century, Latin America has lived under the shadow of one imperial power or another. It began with the European maritime powers (principally Portugal and Spain) which exercised direct colonial rule over most of the countries on the continent. The independence struggles waged by the peoples of these countries proved successful but these countries were then confronted by a new hegemon – the 'Colossus of the North', as Cuba's national hero José Martí referred to the United States.

Although the US, unlike the earlier hegemons, did not exercise direct colonial rule (barring the few exceptions like Puerto Rico), it was the hegemon which was to have the most deep-seated impact on the continent's development. More specifically, it was the hegemon which shaped the character of the globalisation to which Latin America had become subject with its opening up and integration into the global system. The US, unlike the older European powers, was a settler colony with no historical baggage to carry. For this reason, it was better equipped to shape the latest phase of globalisation to embrace full-blown capitalism. As Leo Panitch and Sam Gindin wrote in *The Making of Global Capitalism*, globalisation, 'far from being an inevitable outcome of inherently expansionist economic tendencies, has depended on the agency of states – and of one state in particular: America'.

The challenge facing Third World states has been how they should respond to capitalist globalisation. Totally delinking themselves from the international system is hardly an option open to them. They can however choose the alternative of selective delinking. By so doing, they can determine for themselves which sector of the economy can safely be opened up. They can selectively open up a sector where foreign capital is needed to supplement local capital in whole or in part. However, they must particularly resist pressures to liberalise the financial sector.

The real problem of integrating into capitalist globalisation is that capitalism has never been an unchanging phenomenon. The capitalism that emerged after World War II was comparatively humane, recognising the need for social security and safety nets. Western governments were prepared to make such concessions to their working classes for they feared that to do otherwise would be to make them prey to communism and the Soviet Union.

But by the 1970s this fear had abated, and after a series of economic crises, a new variety of capitalism called neoliberalism became the norm not only in the Western world but also in the Third World. This free-market capitalism, which eschewed any role for the State to regulate the economy to protect workers and to ensure delivery of public goods, was to wreak havoc in Latin America.

The imposition of neoliberalism in many Latin American countries had been facilitated by the fact that they had all become deeply enmeshed in debt. Until the 1960s, most of these countries had financed their

development mainly through internal resources. However, in the 1970s and 1980s, private banks flush with cash from oil-producing countries as a result of oil price hikes offered loans at extremely low interest rates. Tempted by these rates, many of these countries went on a borrowing binge.

However, the collapse of oil and commodity prices left them in the lurch. In desperation, they turned to the International Monetary Fund (IMF) for loans. The IMF's conditionalities for its loans included the adoption of neoliberal austerity programmes, which blighted lives and debilitated economies for the next 10 years ('the lost decade').

Some relief came to the long-suffering people of Latin America with the emergence in the first decade of the new century of some progressive, left-leaning regimes in some of the main countries on the continent. The leaders at the helm were a motley crowd as, ideologically, they ranged from a radical revolutionary in Venezuela (Hugo Chávez) to the moderate centre-left presidents in Chile (Michelle Bachelet) and Uruguay (Tabaré Vázquez).

But, for all their differences, what distinguished them as a group was their concern for social justice and, to varying degrees, their anti-imperialism. Most of these governments carried out important reforms and some of these lifted millions out of poverty. However, there were formidable constraints on their freedom of action as they had to work within the limits of their respective national constitutions. With US-backed opposition forces carping at their heels and hostile media seeking to discredit them, they had to tread carefully.

What finally made their tenure in office so vulnerable was the economic dependence of their countries on a few commodities on the world market. So long as the prices of these commodities were high, the support of their people was assured as the earnings from this source could finance the reforms. Unfortunately, with the collapse of commodity prices, most of these left-leaning governments were voted out of office.

And so Latin America's 'pink tide' period (1998-2015) has ended. Or has it? The recent thumping victory of leftist Andrés Manuel López Obrador in Mexico's presidential election must raise some doubts as to whether the tide has fully ebbed. Even if it has, does Obrador's victory mark the beginning of a new progressive phase? Only time will tell.

In our cover story for this issue, we explore the phenomenon of the pink tide in the context of Latin America's shifting politics. We highlight the re-emergence of the right in Brazil and elsewhere on the continent. Amidst this gloom, we consider the implications of Obrador's victory in Mexico and the rocky road ahead as he seeks to implement his programme in a region which has swung to the right.

— The Editors

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The victory of right-winger Jair Bolsonaro in the Brazilian presidential election – picture shows the then candidate attending a military event in Sao Paulo – appears to further underline the ebbing of the ‘pink tide’ in Latin America (despite the triumph of Andrés Manuel López Obrador in Mexico). 8

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Indigenous leaders call for new global agreement to protect Amazon

Leaders of the Amazon's indigenous groups, alarmed by statements made by Jair Bolsonaro during his election campaign that he is in favour of weakening the protections afforded by existing international and regional treaties to the world's largest rainforest, have called for a new global agreement to forestall the further opening up of the Amazon for exploitation by agribusiness, miners, loggers and construction companies.

Rabiya Jaffery

LEADERS of the Amazon's indigenous groups are calling for a new global agreement to protect and restore at least half of the world's natural habitats.

The Coordinator of Indigenous Organisations of the Amazon River Basin (or COICA), an activist group, prepared a proposal that was presented to the secretariat, government bodies and non-governmental organisations (NGOs) during the 14th Conference of the Parties (COP 14) to the UN Convention on Biological Diversity (CBD), which was held in Egypt on 17-29 November.

COICA was founded in 1984 in Lima, Peru, and coordinates nine national Amazonian indigenous organisations in promoting and developing mechanisms to defend the self-determination of indigenous peoples and coordinate the actions of its members on an international level.

COICA's proposal invites more input and involvement of indigenous communities in conservation efforts and policy-making that address biodiversity loss, as the CBD parties negotiate on defining the terms of the post-2020 global framework on biodiversity that is to be adopted in Beijing, China, in two years.

The proposal resulted from a COICA summit held last August with indigenous leaders from Bolivia, Bra-



Nearly 80% of the world's biodiversity is found on the lands of tribal peoples.

zil, Colombia, Ecuador, French Guiana, Guyana, Peru, Surinam and Venezuela.

'Nearly 80% of the world's biodiversity is found on the lands of tribal peoples and the majority of the most biodiverse places on Earth are tribal peoples' territories,' said Juan Carlos Jintiach, a representative of COICA who was in Egypt.

'Tribal people have been contributing and sustainably using the resources on their lands for thousands of years and it's not possible to create policies that will be effective without their input.'

In their declaration, the indigenous delegations invite states and other entities to include ancestral knowl-

edge in policies that address conservation.

COICA wants to work with other players behind a common goal to protect and restore half of the planet before 2050.

COICA is also pushing for a dialogue with the governments of the Amazon region to include the joint vision of the indigenous confederations through an 'alliance and commitment to protect the region, its biodiversity, its cultures, and sacredness' to protect the rainforest and its 'biological corridor'.

An agreement to protect a 'biological corridor' that spans 135 million hectares and is distributed between Colombia, Venezuela and Bra-

zil is being promoted among the three countries. The corridor will cover zones from the Amazon, the Andes Cordillera and the Atlantic Ocean, and is one of the regions of major biodiversity in the world. Indigenous groups believe that their input and perspectives are important for the effectiveness of the agreement.

'65% of the world's lands are indigenous territories but only 10% are legalised. Guaranteeing indigenous territorial rights is an inexpensive and effective [way] of reducing carbon emissions and increasing natural areas,' stated Tuntiak Katan, Vice President of COICA.

Indigenous communities have expressed deep concern over statements on environmental policies and indigenous issues made by Brazil's president-elect Jair Bolsonaro during his campaign.

Bolsonaro will not assume office until January, but he has supported a weakening of protections for the Amazon. As a result, less land will be controlled by indigenous and forest communities and more will be open to agribusiness, miners, loggers and construction companies.

'His views are worrying, but the new government will also face a challenge in reversing policies that are already in line because they will lose their position as an international leader on environmental issues,' says Oscar Soria, senior campaigner of Avaaz, a global web movement to bring people-powered politics to decision-making everywhere.

'We wish to remind Bolsonaro that Brazil has national and international obligations to guarantee territorial rights of Indigenous Peoples and local communities and to respect their free, prior and informed consent,' he adds.

'We hope the new government will respect international obligations and we will continue to stand by NGOs and Indigenous Peoples who are fighting to save the world – the world cannot protect biodiversity without Brazil but Brazil cannot destroy biodiversity alone.' – IPS ◆

Economic&PoliticalWEEKLY

Popularly known as *EPW*, the journal began its existence in 1949 as *The Economic Weekly* and since 1966 as *Economic & Political Weekly*.

Published from Mumbai, India, by Sameeksha Trust (an independent and registered charity), *EPW* is an institution that enjoys a reputation globally for its independent scholarship and for fostering critical inquiry in the social sciences.

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Bracing for the bust

The message from the IMF's October meeting suggests that a return to recession is a real possibility, but this time around the crisis could also hammer the emerging markets that are already financially vulnerable.

C P Chandrasekhar

THE message from the October meetings of the International Monetary Fund (IMF) and the World Bank, which normally exude optimism, is glum. In January this year, the IMF noted that 'the cyclical upswing under way since mid-2016' was growing stronger, contributing to 'the broadest synchronised global growth upsurge since 2010'. It now feels that while 'the global economic expansion remains strong', it has 'become less balanced and with more downside risks'.

This does not just mean that one more sighting of the 'green shoots of recovery' is proving to be premature. Given the IMF's predilection for underplaying bad news, it suggests that a return to recession is a real possibility.

The IMF points to two factors – rising interest rates in the United States and a stronger US dollar – that are contributing to downside risks, while throwing in rising trade tensions as an additional cause for concern. However, these factors in themselves are not recovery-threatening.

The first, namely rising interest rates as part of a dose of monetary tightening, was long overdue. For almost a decade now, the US Federal Reserve and central banks in other developed economies have been focussed on quantitative easing and interest rate reduction as antidotes for the recession triggered by the 2008 financial crisis. In the event, central bank balance sheets were overly fat, the global economy was awash with liquidity and interest rates were near zero. There was little disagreement on the need to unwind balance sheets, rein in liquidity infusion and raise interest rates. The only question was when and how fast.

The signs of a recovery in the US offered as good an opportunity as any to begin this long-overdue exercise.

To the extent that the rise in US interest rates and the improved performance of the US economy trigger a shift of investment in favour of dollar-denominated assets, a strengthening of the dollar would follow, making that too an expected outcome.

The reasons why these inevitable movements in interest rates and the dollar are identified as sources of concern relate to the consequences they have in the current global environment.

Interest rates

Rising interest rates in advanced nations are reversing the flow of capital from developed to developing markets. This is because much of the portfolio investment in 'emerging markets' undertaken during the years of easy money reflected the 'carry trade' encouraged by differences in interest rates. Investors borrowed cheap in dollar and euro markets and invested in emerging markets that offered much higher interest rates.

When those interest rate differences narrow, portfolio capital tends to flow out from developing countries. That outflow, besides limiting liquidity, weakens currencies, triggers speculation and leads to a collapse (as happened in Argentina and Turkey) or a significant fall (as seen in Brazil, South Africa and India) in the value of local currencies vis-a-vis the dollar. This accelerates capital outflow.

Rising interest rates also hurt private players in emerging markets who borrowed quite happily during the cheap money years but now find that their debt service burden is rising sharply. This is true across the globe. But it is particularly true in the emerg-

ing markets where firms and other borrowers chose to pile up foreign debt, which was cheap but carried the risk of turning costly in local currency terms if the latter depreciated.

Today, they are faced with a double whammy – rising interest costs that increase debt service commitments and sharply depreciating currencies that increase the domestic currency value of those commitments even more, hurting their bottomline and even presaging defaults.

The potential for currency crises, debt defaults and a liquidity crunch inherent in this situation portends a substantial growth slowdown and even a return to recession. That is the 'downside risk' the IMF is concerned about. That downside risk is great because of the huge build-up of debt in recent years.

According to the IMF, 'total non-financial debt in countries with systemically important financial sectors now stands at \$167 trillion, or over 250 per cent of aggregate GDP, compared with \$113 trillion (210 per cent of GDP) in 2008'. This rise of nearly 50% in non-financial debt over the last decade is surprising. A major cause for the 2008 crisis was the build-up of household and corporate debt, facilitated by a process in which risks were 'shared' through the creation and sale to third parties of securities backed by debt assets. So, 'deleveraging', or reduction of debt on the balance sheets across firms and households, was widely seen as crucial to any process of post-crisis restructuring. Contrary to that requirement, the debt overhang has actually risen sharply in the years since the crisis.

The IMF recognises why this has happened. 'The unconventional monetary policies implemented since the global financial crisis were aimed at easing financial conditions to support

the economic recovery,' it said. 'In such an environment, total non-financial sector debt – borrowings by governments, non-financial companies, and households – has expanded at a much faster pace than the growth rate of the economy.'

Thus, the debt build-up is the result of the use of monetary policy measures such as easy money policies and low interest rates in response to the recession induced by the financial crisis. But, if that crisis was the result of excess debt, then measures that increase rather than reduce the dependence on debt are not just the wrong medicine but counterproductive, as the danger of another crisis suggests.

What is worse, that medicine has not delivered a robust recovery, with the return to growth restricted to a very few economies. In sum, governments and central banks got it wrong when they relied on monetary measures as antidotes for the recession. That, however, is something the IMF is not willing to accept since it would imply that greater reliance on proactive fiscal policies, or enhanced state spending, which the IMF and financial interests rail against, were possibly the better option.

Sell-off in stock markets

The problems created by the reliance on unconventional monetary policies do not end with the danger of a debt bust. Stock markets across the world are coming off their highs. This is happening even in the US, which is recording good growth and improved corporate earnings, with the official unemployment estimate of 3.7% being at its lowest in almost half a century.

Over the week ended 12 October, the US stock market saw a massive sell-off, bringing to an end the longest bull run in its history that had taken stock indices to unprecedented highs. This establishes what was clear for long – that the bull run was the result of speculative fever triggered by the easy and cheap money environment. To the extent that easy access to credit fuelled the speculative

boom in the stock market, the bust can result in defaults when over-indebted investors find they are unable to recoup their capital and repay their creditors. That is another outcome that could squeeze liquidity and stymie growth.

Finally, despite the central role of opaque asset-backed securities in aggravating the 2008 financial crisis, the issue of such securities has not diminished.

Governments and central banks got it wrong when they relied on monetary measures as antidotes for the recession.

Noting that 'leveraged finance, comprising high-yield bond and leveraged loan-based finance, has doubled in size since the Great Financial Crisis', the Bank for International Settlements argues that this was facilitated by developments in the securitisations market. 'Originator banks are finding it easier to securitise and sell these loans. This can be seen in the growing investment in loans by securitised structures such as collateralised loan obligations, especially in the last couple of years.'

Nothing much has changed on the financial front since the crisis. What is different this time around is that the danger of a crisis is not focussed on the advanced nations, with the rest of the world, especially the emerging markets, only experiencing the after-effects. In fact, in 2008, countries like China and India were still seen as growth poles that could help moderate the intensity of the global crisis and even lead the recovery.

This time around, the disease will likely afflict the emerging markets too; these markets are already bearing the brunt of the financial volatility unleashed by the reversal of 'over-used' rather than 'unconventional' monetary policies.

India's vulnerability

Yet, the IMF still finds reason to be positive about the state of some of these economies. In a statement made in Washington, reported by the Press Trust of India, the Director of the IMF's Fiscal Affairs Department argued that while global debt had touched troubling levels, India had managed to moderate debt expansion. Private debt in India is placed at 54.5% of the gross domestic product (GDP) and general government debt at 70.4%, making a total of 125%. That compares with a 247% debt-to-GDP figure in China, for example.

The debt exposure figure does not mean, however, that India is not vulnerable. India's vulnerability stems from its increased exposure to dollar debt, partly because of investment by foreign portfolio investors in debt markets and partly because of direct borrowing by corporations seeking to benefit from low international interest rates.

Rising US interest rates combined with a widening of India's current account deficit (owing to the rise in oil prices and other factors) have weakened the rupee considerably vis-a-vis the dollar. As a result, India has also been badly hit both by the exit of portfolio investors from debt markets and by the depreciation of the rupee that followed. Of the more than \$12 billion pulled out by portfolio investors so far this year, more than \$8 billion was from debt markets.

The rupee, meanwhile, has depreciated from less than Rs.64 to the dollar to around Rs.74. One consequence of the latter is a rise in the rupee servicing costs of foreign debt. Borrowers exposed to foreign debt are bound to feel the pressure.

Seen in those terms, the IMF's sanguine assessment based on India's overall debt-GDP ratio does not reveal the extent of the nation's vulnerability. ♦

C P Chandrasekhar is a Professor at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi. This article was originally published in Frontline (9 November 2018).

How wealth dynasties rig the US economy

A recent study of the US economy by the Institute for Policy Studies reveals some startling findings about the concentration of wealth in a handful of families. For example, three families own a combined \$348 billion, or over four million times the median wealth of American families. More importantly, these families have used their wealth and power to lobby and rig the rules to expand their wealth and power.

Jake Johnson explains.

HERE are just a few startling facts that tell you nearly all you need to know about whom the American economy has worked for – and against – over the past several decades:

- Amazon CEO Jeff Bezos, Microsoft founder Bill Gates and financier Warren Buffett own more wealth than the bottom 50% of the US combined;

- As median household wealth has declined since 1982, the Walton, Koch and Mars families have seen their wealth grow 6,000%;

- A full-time Amazon employee making \$15 an hour would have to work for 2.5 million years to earn \$78.5 billion, the amount by which Bezos's fortune has expanded in the past year alone.

Published by the Institute for Policy Studies (IPS) on 30 October in a report titled *Billionaire Bonanza 2018: The Role of Dynastic Wealth*, these numbers paint a striking portrait of an economy designed to enrich a handful of individuals and family dynasties while leaving the rest of the American population with stagnant or falling wages, meagre or even negative wealth, and soaring economic insecurity.

'Today's extreme wealth inequality is perhaps greater than any time in American history,' Josh Hoxie, a co-author of the report, said in a statement. 'This is largely the result of rapidly growing wealth dynasties and a rigged economy that enables the ultra-wealthy to grow their wealth to never-before-seen highs.'

Citing economist Thomas Piket-



Seven of the 20 wealthiest members of the Forbes 400 – including (above, L-R) Alice, Jim and S Robson Walton of Walmart – 'inherited their wealth from previous generations.'

ty's warning that the United States is operating under a system of 'patrimonial capitalism' that allows the wealthy few to hoard their riches and pass them on to their heirs – fuelling the rapid explosion of inequality since the 1970s – IPS found that 'seven of the 20 wealthiest members of the Forbes 400 inherited their wealth from previous generations, often through companies founded by their

ancestors'.

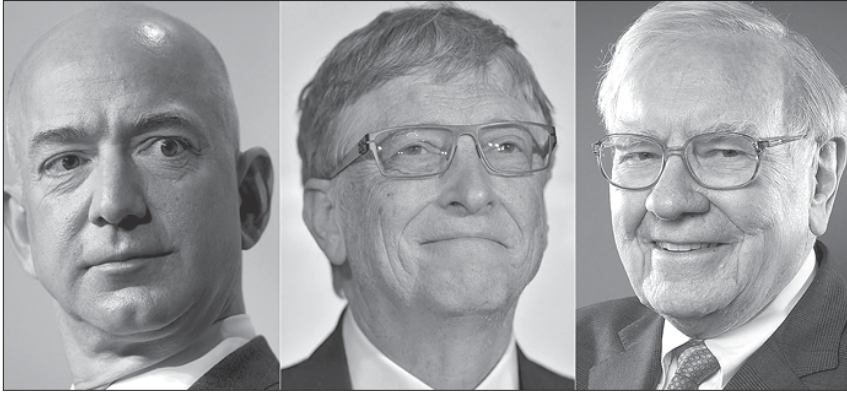
These members, the report notes, include 'Charles and David Koch of Koch Industries as well as Jim, Alice, and S Robson Walton of Walmart and Jacqueline and John Mars of the Mars candy empire'.

According to IPS, these three 'wealth dynasties' own a combined \$348.7 billion – over four million times the median wealth of American

Top Three Wealth Dynasties

	1982 Wealth	1982 Wealth, Adjusted for Inflation to 2018 Dollars	2018 Total Family Wealth	Percent Increase
Waltons	\$690 Million	\$1.81 Billion	\$169.7 Billion	9,257%
Kochs	\$532 Million	\$1.40 Billion	\$107 Billion	7,552%
Mars	\$1 Billion	\$2.63 Billion	\$72 Billion	2,638%
Total	\$2.22 Billion	\$5.84 Billion	\$348.70 Billion	5,869%

* Figures come from 1982 and 2018 Forbes 400 lists respectively. Inflation adjusted using Consumer Price Index for All Urban Consumers (CPI-U)



(L-R) Jeff Bezos, Bill Gates and Warren Buffett own more wealth than the bottom 50% of the US combined.

families.

When IPS looked at the 15 wealthiest American families with multiple members on the vaunted Forbes 400 list, it found that the wealth of each of these families ‘comes from companies started by an earlier generation, either a parent or more distant ancestor. Each of them also represents a wealth dynasty passing generation to generation free from interruption’.

Combined, these families are worth \$618 billion.

In total, IPS found, ‘136 out of the 400 members of the Forbes 400 derive their wealth from companies started by an earlier generation. That’s 34%, or about a third, of the entire list’.

As millions of American workers and households find themselves

in an increasingly precarious economic position – unable, for instance, to afford a \$400 emergency payment – these dynastic families have seen their already staggering wealth grow thousands of percentage points over the past three decades, contributing to the growing gulf between the ultra-rich and everyone else and giving a few billionaires disproportionate power to shape public policy.

‘These families have used their wealth and power to lobby and rig the rules to expand their wealth and power,’ explained Chuck Collins, IPS senior scholar and co-author of the new report.

Contrary to the right-wing view that the vastly unequal wealth distribution in American society is the unavoidable result of ‘market forces’ and ever-advancing technology, IPS

argues that there is ‘nothing inevitable about dynastic wealth’ and that such inequality is perpetuated by the wealthy themselves, who use a variety of ‘dynasty protection techniques’ to undercut redistributive policies and escape taxes.

‘There is now ample evidence that some billionaire families are engaged in aggressive practices to preserve dynastic wealth. These include using their wealth to lobby for tax cuts and public policies that will further enrich their enterprises,’ the report notes. ‘They hire armies of tax accountants, wealth managers, and trust lawyers to create trusts, shell corporations, and offshore accounts to move money around and dodge taxation and accountability.’

Curtailling the meteoric rise of dynastic wealth and bringing inequality under control will require bold policy interventions that are sure to face resistance from the billionaires used to getting their way in the political sphere.

In its new report, IPS outlines two possible solutions: a wealth tax and an inheritance tax.

‘A direct tax on wealth paid by the wealthiest one tenth of one percent could generate significant revenue to be reinvested in creating and restoring opportunities for low wealth households to prosper,’ the report notes.

Pointing out that the federal estate tax has been ‘significantly weakened’ – most recently by President Donald Trump and the Republican Party’s \$1.5 trillion tax bill – IPS argues that ‘[t]axing inherited wealth as income would help break up current and future wealth dynasties.’

‘Because of changes in tax law and aggressive use of trusts and tax dodges, we are now witnessing a resurgence of dynastic inherited wealth,’ Collins of IPS observed. ‘To protect our democracy, we need to strengthen and expand taxes that reduce this concentration of wealth and power.’ ♦

Jake Johnson is a staff writer with CommonDreams.org, from which this article is reproduced under a Creative Commons licence.



A worker at an Amazon warehouse in Germany. A full-time Amazon employee making \$15 an hour would have to work for 2.5 million years to earn the amount by which Amazon CEO Jeff Bezos’s fortune expanded in the past year alone.

The recolonisation of Latin America by global capitalism

Latin America has gone through a tumultuous period of change and uncertainty since the 1980s when it was swept into the vortex of capitalist globalisation, says *William I Robinson*. After a blistering spell of neoliberalism, the emergence of left-wing regimes in many of the principal countries of the continent appeared to offer hopes of a more humane alternative. However, this 'pink tide' has now ebbed away with the resurgence of right-wing regimes intent on integrating the continent more fully into the global capitalist system. Two hundred years after its independence, Latin America remains deeply tied – and subordinated – to the larger world capitalist system that has shaped its economic and political development from the conquest in 1492 right up to the present period of globalisation.

AN academic or journalist returning to Latin America after several decades away from the region would barely recognise the subcontinent as we approach the third decade of the 21st century, so vast has been the transformation of the region's political economy and social structure in recent years as it has become swept up into capitalist globalisation.

Latin America has gone through a tumultuous season of change and uncertainty since the 1980s that has involved the collapse of the post-World War II development model and a period of neoliberal hegemony, followed in the first decade of the new century by a turn to the left known as the 'pink tide', and now the revanchist resurgence of the far-Right, all the while in the midst of great social upheavals and political conflict.

Two hundred years after its independence, Latin America remains deeply tied – and subordinated – to the larger world capitalist system that has shaped its economic and political development from the conquest in 1492 right up to the present period of globalisation. That world capitalist order has itself gone through successive historical epochs over the past five centuries. This new transnational order has its origins in the world economic crisis of the 1970s, which gave capital the impetus and the means to initiate a major restructuring of the system through globalisa-



The export processing zones or *maquiladoras* in Latin America, which employ hundreds of thousands as low-wage workers for the global assembly line, are a premier symbol of capitalist globalisation.

tion over the next few decades.

The larger backdrop to rapid and ongoing change in Latin America has been the integration of the region into the new global capitalism. Now, in the wake of a global crisis that appears to be intensifying, the region's articulation to the larger system is yet again being redefined at a pace that no one could have predicted a few years back.

From the 1980s and on, a new breed of transnationally oriented elites and capitalists led the region

into the global age of hothouse accumulation, financial speculation, credit ratings, the Internet, gated communities, ubiquitous fast-food chains, and malls and superstores that dominate local markets in emerging megacities. There are vast new fields of soy run by transnational agribusiness, sprawling tourist complexes that have displaced thousands of communities, and export processing zones (EPZs) that employ hundreds of thousands as low-wage workers for the global assembly line as Latin American coun-



A soy farm in Brazil. Soy plantations set up by transnational agribusiness have displaced millions of smallholders.

tries experienced a thorough restructuring and integration into the new global production and financial system. Whole neighbourhoods have been built with remittance wages sent by the tens of millions of Latin American emigrants who provide cheap itinerant labour for other regions in the global economy. New trading patterns now link Latin America commercially to every continent.

Earlier research on the global economy focused on the phenomenon of 'runaway factories'. The EPZs or *maquiladoras*, with their tell-tale exploitation of young women, became a premier symbol of capitalist globalisation. *Maquiladoras* are now major components of the Mexican, Central American and Caribbean economies, and EPZs have spread as well to the Andean region and even into the Southern Cone. But the Global Factory has since been joined by the Global Farm, as Latin America's agriculture has become an extension of the new transnational agribusiness, and by the Global Supermarket, as retail sectors have become globalised. Brazil overtook the United Kingdom in 2011 to become the world's sixth largest economy – a powerful testament to the economic rise of Latin America in the Global South and the changing nature of the international order.

Yet as capitalist globalisation has unleashed a new cycle of modernisation and accumulation in the region, it has had contradictory effects. It has

transformed the old oligarchic class structures, generating new transnationally oriented elites and high-consumption middle classes that enjoy the fruits of the global cornucopia even as it has displaced tens of millions, aggravated poverty and inequality in many countries, and wreaked havoc on the environment. Capitalist globalisation has brought about unprecedented social inequalities, mass unemployment, and the immiseration and displacement of tens if not hundreds of millions from the popular classes, triggering a wave of transnational migration and new rounds of mass mobilisation among those who stayed behind. This is what lies behind contemporary headlines on Latin America, such as the recent Central American refugee caravans to the United States.

Neoliberalism swept the region with ferocity in the late 20th century but by the turn of century the model was in crisis. Politically, the fragile polyarchic ('democratic') systems installed through the so-called 'transitions to democracy' of the 1980s were increasingly unable to contain the social conflicts and political tensions generated by the polarising and pauperising effects of neoliberalism.¹

The erosion of the so-called 'Washington Consensus' around this neoliberalism, together with economic stagnation and a string of revolts among popular classes, led to an electoral comeback of the Left early in

the century. This pink tide put forth what commentators referred to as a new 'radical populism' and revived a socialist agenda.

However, in the past few years the pink tide has all but unravelled. The Right has returned to power with a vengeance in Brazil, Argentina, Honduras and Paraguay, and is making major headway in Bolivia, Ecuador and Central America. What remains of the Left in power faces a renewed assault by the transnational capitalist class, the international Right and the United States.

The new globalisation model of accumulation²

Latin America has gone through successive waves of ever-deeper integration into world capitalism, often on the crest of world economic crisis and mass struggles. Latin America's integration into the new global production and financial system followed the collapse, in the wake of the 1970s world economic crisis, of the post-WWII development model in the region.

This pre-globalisation model of accumulation had been based on domestic market expansion, populism and import-substitution industrialisation (ISI), the growth of traditional agro-exports and other primary commodities, the creation of state sectors, a role for the state in guiding accumulation, and redistribution through corporatist and populist coalitions. This model became exhausted and its breakdown, starting in the late 1970s, paved the way for the neoliberal model based on liberalisation and integration to the global economy.

Diverse social forces and political movements clashed during the next two decades over what would replace the old model. During those two decades, the mass movements, revolutionary struggles, nationalist and populist projects of the 1960s and 1970s were beaten back by local and international elites. The tide turned against those projects in the face of the debt crisis that hit the region hard in the 1980s, amid state repression, US intervention and the collapse of a

socialist alternative.

Behind all this, globalisation shifted the correlation of class forces worldwide away from nationally organised popular classes and towards a new transnational capitalist class and local economic and political elites tied to transnational capital. In the 1980s and 1990s, as the logic of national accumulation became subordinated to that of global accumulation, new, transnationally oriented elites among the dominant groups in Latin America gained control over states and capitalist institutions in their respective countries and used that control to push forward capitalist globalisation and a new model of accumulation.

The new transnational elites and capitalists forged a neoliberal hegemony, privatising, liberalising, deregulating, 'flexibilising' and cheapening labour, and implementing fiscal austerity, free trade and investment regimes that facilitated transnational corporate access to the region's abundant natural resources and fertile lands. As the region integrated deeper into world capitalism, trade in goods as a percentage of the regional gross domestic product (GDP) increased from 10% to 18% from 1989 to 1999.

Globalisation thus ushered in a new model of capitalist accumulation in Latin America that has vastly restructured the region's productive base and, along with it, transformed the class structure, the social fabric, political systems, and cultural and ideological practices. The commanding heights of Latin America's economy are now a new set of activities that were introduced starting in the 1980s and that form part of globalised circuits of accumulation. They include *maquiladora* industrial production, transnational agribusiness complexes, global banking, tourism, the 'retail revolution' (the spread of Walmart and other superstores that now control some 70% of the region's commerce, up from just 10-20% in 1990³) and the transnationalisation of labour markets that has made Latin America a major exporter of workers to the global economy. Six dynamic

Table 1: Manufacturing exports f.o.b. as percentage of manufacturing, select countries (aggregate value, at constant 2000 prices)

	1995	2000	2005
Argentina	15.8	18.2	22.6
Bolivia	19.8	36.7	15.8
Brazil	21.3	26.6	45.5
Chile	17.4	26.6	33.3
Colombia	28.9	36.6	49.8
Costa Rica*	26.7	97.8	98.0
Ecuador	24.3	61.6	92.0
El Salvador	15.9	21.4	28.1
Guatemala	23.8	34.1	49.0
Honduras	33.7	28.6	53.1
Mexico*	81.6	129.6	155.0
Nicaragua	22.6	8.0	11.5
Paraguay	15.8	15.0	26.6
Peru	10.4	15.1	27.0
Uruguay	24.3	28.1	28.7
Venezuela	12.1	13.0	20.4

Source: Calculated on the basis of ECLAC, *Statistical Yearbook for Latin America and the Caribbean*, 2006, Tables 2.2.2.4 and 2.1.1.15.

* Figures are above 100% for Mexico because a portion of manufacturing exports in the in-bond industry is calculated by statistical agencies as manufacturing exports but not as part of the national manufacturing sector. The Costa Rican case appears skewed because the very high percentage of manufacturing value-added as exports is accounted for by the installation of a major Intel computer chip plant in the country in 1997 and the export of high-value computer chips.

new activities, in particular, have come to dominate the region's political economy and its articulation to the world economy over the past three decades.

First, industry has been reoriented towards global markets, with national industrial activity integrated into global production chains as component phases of the Global Factory. Most notable is the phenomenal spread of *maquiladora* assembly plants, which were established along the US-Mexico border in the 1970s and on and subsequently spread throughout the Greater Caribbean Basin and more recently into South America as far south as Brazil and Argentina. Through this 'industrial reconversion', as it is known in international development discourse, small and medium industrial enterprises have also reoriented from the national to the global market by becoming local subcontractors and out-

sourcers for transnational corporations. Table 1 shows the ongoing reorientation of industry into the Global Factory.

Second, new transnational agribusiness exports have increasingly eclipsed the old agro-export and domestic agricultural models. Every national agricultural system in Latin America has been swept up in the new global agribusiness complex. Alongside beef, coffee and sugar, King Soy now dominates agriculture in Brazil, Argentina, Paraguay and Bolivia. Soy is mass-produced and processed as industrial and edible oils, as feed for animals and as food for markets in Asia and elsewhere. Soy plantations set up by transnational agribusiness and run as capitalist 'factories in the field' have displaced millions of smallholders, eating up the rainforests and savannas, and generated an ecological disaster.

In Brazil, former Workers Party

(PT) presidents Luiz Inacio Lula da Silva (2003-10) and Dilma Rousseff (2010-16) gave powerful support to agribusiness over small farms and the landless. In the countryside land ownership became more concentrated at the end of the PT's rule than it was 50 years ago. The countryside is 'a landscape of endless seas of soy plantations, massive cattle ranches, and poisonous industrial farms that displace poor Brazilian families and cut down ever-larger swaths of rainforest', observed writer Benjamin Dangl in his 2010 book *Dancing with Dynamite*.⁴

In Mexico, millions of acres previously planted in corn, beans and other crops for the domestic market have been replaced by fruits and vegetables for the Global Supermarket. Colombia and Ecuador are now the second and third largest exporters of cut flowers, respectively, to the world market. Chile's Central Valley, once the country's bread basket, is now a specialised region for the intensive production and export of canned and fresh fruits and wines. Transnational agribusiness in Honduras has snatched up vast stretches of rural farmland from local peasant, Afro-Honduran and indigenous communities and converted them into oil palm plantations. This new face of transnational corporate agribusiness in Latin America involves capitalist rather than the earlier oligarchic or semi-feudal relations of production and draws in rural, often female, workers rather than the earlier peasant or peon labour.

Third, the growth of the global tourist industry has exploded over the last two decades. Virtually every Latin American country has been swept up into the industry, which now employs millions of people, accounts for a growing portion of national revenue and gross national product, penetrates numerous traditional communities and brings them into global capitalism. Local indigenous, Afro-descendant and mestizo communities have fought displacement, environmental degradation and the commodification of local cultures by tourist mega-projects such as the Ruta Maya

in Mexico and Central America, the Ruta Inca in Peru, Punta Cana in the Dominican Republic, San Pedro de Atacama in Chile and the Roatán-Northern Coast tourist complex in Honduras.

For many countries – including Mexico, Costa Rica, Guatemala, Ecuador and most of the Caribbean nations – tourism is the first or second most important source of foreign exchange. By 2004, tourism represented 12% of Latin America's aggregate foreign exchange receipts, 33% for Cuba, 35% for the Central American republics and the Dominican Republic, 36% for Jamaica, and so on.⁵

Fourth, services, commerce and finance have become increasingly transnationalised. Latin America's national financial systems have merged with what is now a single integrated global financial system. The arrival of the Global Supermarket has involved the invasion of transnational retail conglomerates like Walmart, K-Mart, Costco, Carrefour and Royal Ahold, as well as fast-food chains, as noted above, generally in partnership with Latin American investor groups. Fast-food chains, superstores and malls are the outlets for the distribution of goods from the Global Farm and the Global Factory. They have displaced thousands of small traders, disrupted local economies, and propagated a global consumer culture and ideology. Meanwhile, data-processing and call centres, outsourced from the Global North, have spread at an astonishing rate. Already by 2003, half a million Brazilians laboured in call centres, largely women from 16 to 24 years of age, in what some characterised as 'informational *maquiladoras*'.

Fifth, labour has been among the major exports to the global economy. The wave of outmigration caused by capitalist penetration and disruption of local communities and of whole national and regional economies, and the social ravages of neoliberalism over the past few decades, is without precedent, comparable to migrations generated by war.

Migrant labour is exported across Latin America to intensive zones of

accumulation and to the global economy, the United States, Europe and beyond. In turn, this Latin American immigrant labour sends back remittances. Latin Americans working abroad sent to their home countries \$74.3 billion in 2016.⁶ Families receiving remittances have become integrated into a global retail sector that now controls over 70% of local retail markets. In other words, the social reproduction of millions of Latin Americans is dependent on these new global labour, financial and commercial flows.

In many countries remittances are the number one source of foreign exchange, ensuring macroeconomic stability, mitigating fiscal crises, and providing an escape valve for acute social and political tensions. In 2017, Mexico received nearly \$29 billion in remittances, the country's single most important foreign exchange earner, even beating out petroleum (if we don't count drug money that enters the financial system, which is estimated at close to \$35 billion).⁷ In most Central American and Caribbean countries, remittances outstrip the combined value of all other exports, and in several – El Salvador, Haiti, Honduras and Nicaragua – they hover at or above 20% of total GDP.⁸

Sixth, a new round of extractive activity has been launched, including a vast expansion of mining operations and energy extraction to feed a voracious global economy, especially in China and the Asia-Pacific region, which has displaced the United States as Latin America's principal trading partner. China is now the biggest foreign investor and lender in the region, much of its capital being invested in extractive activities and accompanying infrastructural projects. Ironically, a major portion of this extractive expansion took place in the pink tide countries under leftist-oriented governments (see below).

The new face of global capitalism in Latin America is driven as much by local capitalist classes that have sought integration into the ranks of the transnational capitalist class as by transnational corporate and financial capital. Propelled by privatisa-

tions and liberalisation during the 1980s and 1990s (and in many countries, into the 21st century as well), sectors of the capitalist class and the elite in Latin America amassed an unprecedented amount of wealth and power. They have merged with one another across borders into powerful *grupos* and conglomerates, known as *multilatinas*. In turn, these have cross-invested with extra-regional transnational corporations. According to one estimate, some 70 *multilatinas* are capable of competing worldwide in the global economy. Conglomerates like Mexico's Telmex, Cemex and Grupo Carso; Brazil's Gerdau; the Cisneros dynasty in Venezuela; the Cuscatlán conglomerate in El Salvador; and the Argentine-based Grupo Arcor, among others, are full-fledged global corporations.⁹

In sum, transnational capital has poured into the region in the form of productive investment in these dynamic new circuits of accumulation but also as portfolio and speculative financial ventures, taking advantage of the bonanza opened up by the privatisation of public assets, the deregulation of banking systems and the issue of government bonds as a widespread mechanism in the region to attract investors from the money markets that dominate the global financial system. In comparison with today, in the 1960s and 1970s there were still major pockets of society that were pre-capitalist or that at least enjoyed some local autonomy vis-à-vis national and world capitalism. But 21st-century global capitalism has penetrated just about every nook and cranny of Latin America. Capitalist relations are practically universal now in the region.

Global capitalist crisis and the unravelling of the pink tide

The pink tide governments transformed the political landscape in the Americas and inspired popular and revolutionary struggles around the world. They reversed the most glaring components of the neoliberal programme, halted privatisations, re-



Pedestrians in the financial district of Buenos Aires walk past an electronic board displaying currency exchange rates. Latin America's national financial systems have merged with what is now a single integrated global financial system.

stored health and education, introduced social welfare programmes, broke with the International Monetary Fund (IMF) and staked out a foreign policy independent of Washington's dictates. Yet notwithstanding the leftist rhetoric, the pink tide governments oversaw a vast expansion of raw material production and the other accumulation activities discussed above, in partnership with foreign and local contingents of the transnational capitalist class. They based social welfare on the capture and redistribution of surpluses generated by an expansion of mining, carbon-based energy resources, large-scale agribusiness and other forms of extractivism.

As a result, the pink tide countries became ever more integrated into the transnational circuits of global capitalism and dependent on global commodity and capital markets. Even in the more radical experiments in Venezuela, Bolivia and Ecuador, where energy and other natural resources were nationalised, the governments deepened their dependence on the export of hydrocarbons and industrial and precious minerals. Venezuela was even more dependent on oil exports in 2017 than it was at the turn of the century.

The Left in state power, with the

exception of Venezuela and, to a lesser extent, Bolivia, did not undertake structural transformations – that is, they did not challenge the prevailing property relations and class structure. What emerged was an elected progressive bloc in the region committed to mild redistributive programmes yet unwilling or simply unable to challenge the global capitalist order.

The pink tide governments were 'leftist' insofar as they introduced limited redistribution and restored a minimal role for the state in regulating accumulation and administering its expansion in more inclusionary ways. When we cut through the rhetoric, however, they were able to push forward capitalist globalisation with greater credibility than their orthodox and politically bankrupt neoliberal predecessors.

The commodities boom financed the expansion of social programmes that reduced poverty and raised the standard of living of the working and popular classes. Yet because there were no more substantial structural transformations that could address the root causes of poverty and inequality, these social programmes were subject to the vagaries of global markets over which the pink tide states exercised no control.

Once the 2008 world financial crisis hit, they came up against the limits of redistributive reform within the logic of global capitalism. The extreme dependence on raw material exports and other accumulation activities discussed above threw these countries into economic turmoil when global commodities markets collapsed, undermining governments' abilities to sustain social programmes and generating political tensions that helped fuel popular protest and open up space for a right-wing resurgence. Throughout this time, the pink tide states remained tied to the larger institutional networks of the global financial system and beholden to transnational finance capital.

There are lessons to be learnt here for leftist projects around the world. The structural power of transnational capital, and especially of global financial markets, over the attempts of states and social movements to undertake transformations is enormous and pushes states to accommodate these markets. Once a left force wins government office, it is tasked with administering the capitalist state and its crisis and is pushed into defending that state and its dependence on transnational capital for its reproduction, which places it at odds with the same popular classes and social movements that brought it to power.

These popular masses in Latin America were clamouring for more substantial transformations. Under the pretext of attracting transnational corporate investment in order to bring about development, the demands from below for deeper transformation were often suppressed. Social movements were demobilised, their leaders absorbed by the institutional Left in government and the capitalist state, and their mass bases subordinated to the Left parties' electoralism. Yet it is only mass mobilisation from below that can impose a counterweight to the control that transnational capital and the global market exercise from above over capitalist states in Latin America.

There is an evident disjuncture throughout Latin America between the mass social movements that are

at this time resurgent and the institutional and party Left that is losing power and influence by the day. The Left has lost the hegemony that it had conquered. This hegemony is now being disputed by the return of a violently retaliatory Right.

The outcome of this dispute is uncertain. Worldwide, global capitalism faces a spiralling crisis of hegemony that appears to be approaching a general crisis of capitalist rule. In the face of this crisis, there has been a sharp polarisation in global society between insurgent Left and popular forces, on the one hand, and an insurgent far-Right, on the other, at whose fringe are openly fascist tendencies. Yet the far-Right has been more effective in the past few years than the Left in mobilising disaffected populations around the world and has made significant political and institutional inroads.

Nowhere is this more evident than in Latin America. There are recessionary tendencies at this time in Argentina, Brazil, Mexico and other countries in the region. The economic crisis, far from being resolved, will get worse as the Right returns to power. There are storm clouds on the horizon. The masses of Latin Americans face acute political polarisation, an escalation of repression, dispossession, and an increasingly open dictatorship of transnational capital and its local agents, some of whom are pushing a 21st-century fascism, as evinced in the October 2018 election of Jair Bolsonaro to the presidency in Brazil. It would seem that the task of criticism and renovation of the Left is urgent if it is going to be in a position to take advantage of the upheavals that are to come and to push back the Right. ♦

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Notes

- 1 On 'transitions to democracy' and polyarchy in Latin America and worldwide, see William I Robin-

son, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (Cambridge: Cambridge University Press, 1996).

- 2 For detailed analysis of the matters raised in this subhead, see William I Robinson, *Latin America and Global Capitalism* (New York: Cambridge University Press, 2008).
- 3 Thomas Reardon and Julio A Berdegue. 2002. 'The Rapid Rise of Supermarkets in Latin America: Challenges and Opportunities for Development', *Development Policy Review*, 20(4).
- 4 Benjamin Dangel, *Dancing With Dynamite: Social Movements and States in Latin America* (Baltimore: AK Press, 2010), p. 134.
- 5 For brevity's sake, this data and all data not otherwise cited in an endnote are from Robinson, *Latin America and Global Capitalism*.
- 6 For general discussion and detailed data, see Robinson, *Latin America and Global Capitalism*. For the 2016 figure, see Abby Budiman and Phillip Connor, 'Migrants from Latin America and the Caribbean Sent a Record Amount of Money to Their Home Countries in 2016', PEWS Research Center, 23 January 2018, accessed on 18 November 2018 at <http://www.pewresearch.org/fact-tank/2018/01/23/migrants-from-latin-america-and-the-caribbean-sent-a-record-amount-of-money-to-their-home-countries-in-2016/>.
- 7 'Record Remittances of \$28.7 Billion in 2017', *Mexico News Daily*, 3 February 2018, accessed on 17 November 2018 at <https://mexiconewsdaily.com/news/record-remittances-of-us-28-7-billion-in-2017/>
- 8 See Table 3.15 in Robinson, *Latin America and Global Capitalism*, p. 162.
- 9 On these details, see Robinson, *Latin America and Global Capitalism*, pp. 171-78. For detailed exposition on the transnational capitalist class more generally, including its rise in the former Third World, see William I Robinson, *A Theory of Global Capitalism* (Baltimore: Johns Hopkins University Press, 2004); and William I Robinson, *Global Capitalism and the Crisis of Humanity* (New York: Cambridge University Press, 2014).

The ebb and flow of Latin America's 'pink tide'

It was during the 2000s that left-leaning governments came to power and a 'pink tide' took over in many of the countries of Latin America. In this article, *Shakthi De Silva* examines the reasons that led to the rise of the pink tide and questions the sustainability of its economic measures.

WIDESPREAD democratic trends, competitive electoral politics and greater access to elections characterise Latin American politics in the late 20th and 21st centuries. Many analysts argue that such tendencies index the ascendancy of neoliberal economic governance. Yet it was during the 2000s that left-leaning governments came to power and a 'pink tide' took over in Latin America. This article examines the reasons that led to the rise of the pink tide and questions the sustainability of its socialist-oriented populist-economic measures. Will the pink tide be a recurring feature in Latin American politics or does it signify a minor blip in a Fukuyamian evolution of Latin American political ideology?

The pink tide is a variant of socialism that saw socialist-leaning/left-leaning leaders come to power in Latin America. They include Lula da Silva in Brazil and Michelle Bachelet in Chile, alongside the more revolutionary democratic socialists such as Evo Morales in Bolivia, the Kirchners in Argentina, Rafael Correa in Ecuador and Hugo Chávez in Venezuela.

The leaders of the pink tide formulated their political platforms on populist themes. By advocating social welfare programmes for the poor and promising socially just policies of redistribution (including structural reforms in the economy), they were able to garner the support of the disgruntled poorer, marginalised sections in society. Nationalisation of foreign companies became a political slogan that gained considerable traction among the public. Neoliberal economic principles – built on the foundation of the Washington Consensus – were proclaimed to be the *causa*



Venezuelans queue up to register for an identity card aimed at streamlining access to the country's social programmes. The leaders of the pink tide advocated social welfare programmes for the poor and promised socially just policies of redistribution.

principalis behind Latin America's financial burdens. Accordingly, populist policies attracted widespread attention and eventually, during elections, votes.

Anti-neoliberal protests in the 1990s following the US push for the Washington Consensus and the defeat of the Free Trade Area of the Americas (FTAA) in 2005 are often cited as reasons for the rise of the pink tide movement. But a 'butterfly effect' such as this does not fully explain its ascendancy. Stronger government intervention to rectify the economic malaise and an inherent desire to challenge the American hegemony through regional groupings such as the Community of Latin American and Caribbean States (CELAC) as well as the Bolivarian Alliance for the Peoples of Our America (ALBA) became the mainstay for the democratic socialists of the pink tide. Concerns about underdevelopment in contexts where economic neoliberalism was twinned with putatively democratic institutional structures, created tensions that intensified desire for radi-

cal change in many nations and communities. Rising income inequality in almost every Latin American country made it easy for the pink tide leaders to equate neoliberal economics with corruption and nepotism.

The pink tide therefore proposed alternatives that are often referred to under the rubric of neo-developmentalism,¹ an economic model that is critical of the overall reduction in the role of the state, which was a key feature of the Washington Consensus forged during the Reagan years. In essence, many of the principles advocated during the 1980s such as privatisation and deregulation were turned upside down in the 1990s and 2000s by the pink tide movement.

Based on the tenet of state activism, neo-developmentalism reflected a targeted developmental strategy. Production of high-value-added goods was identified as a key condition for economic growth. To realise this goal, neo-developmentalists advocated full employment and the diversion of labour to industries with high value addition per capita.

However, state support to industries was strategic and not perpetual. In addition, the state was required to take immediate action to assure price, exchange rate and financial stability. This targeted state intervention was sanctioned with the primary aim of supporting firms which were judged to be capable of competing internationally. Combined with populist state action to tackle rising income inequality and inflation, these measures were believed to create sustainable and long-term economic growth in the domestic economy.

Given the overall dissatisfaction with the effects of the Washington Consensus in the region, it became relatively easy for pink tide leaders to portray the prevailing right-wing governments as corrupt and unconcerned about public issues. Promising government activism and the amelioration of inequality, pink tide political movements rose to power and instituted sweeping social and economic changes.

Yet today we are witnessing the gradual retreat of the pink tide. Fiscal populism had been part of its policy backbone, but in Latin American economies – where there is still a high degree of dependence on export revenue from primary agricultural products and a few industrial goods – fiscal populist measures have proven unsustainable.

For example, Chávez's policies in Venezuela were underwritten by a flood of oil exports during a period when prices reached a high point of \$100 per barrel. This enabled him to launch social welfare schemes and offer subsidies that won him the support of a large majority of the Venezuelan public. This dependence on oil revenue resulted in the lack of political will to diversify Venezuela's export base. When the price of oil dipped greatly in the 2014–16 period, Chávez's successor Nicolas Maduro was unable to sustain the social welfare programmes.

Today, Venezuela's imports are down 50% from a year ago and the country faces critical shortages of essential imports, including medicines and food items. This has resulted in a daily flow of people across the border to neighbouring Colombia to purchase essential items. With inflation

soaring over 400%, the central bank recently stated that it has only just over \$10 billion and close to \$7.2 billion of debt. All in all, fiscal populist measures in countries that are dependent on export revenue generated from a few commodities are not a good recipe for sustainable economic growth.

The second major reason for the demise of the pink tide relates to corruption. While pink tide leaders claimed that neoliberal administrations engaged in rampant corruption, their socialist counterparts have faced similar allegations. A case in point is Brazil, the region's largest non-nuclear power and the world's fourth largest democracy. Brazil is in the midst of a political crisis that began in March 2014 with an investigation into allegations that Brazil's biggest construction firms overcharged the state oil company Petrobras for building contracts while paying bribes to former Brazilian President Lula da Silva, who is now being tried on charges that could result in a nine-and-a-half-year prison term. Lula's demise, which follows the ousting of his successor, Dilma Rousseff, demonstrates how rife the region is with corruption, whether governments are left- or right-leaning.

Furthermore, despite promises of nationalisation, major industries in Latin America (e.g., mining, media and finance) are still in the hands of privileged elites that have enjoyed political and economic influence for decades if not centuries. Moreover, the problem of income inequality also has been left relatively unresolved by the pink tide leaders. For many of these leaders, unfulfilled pledges became particular sore points when it came to getting re-elected.

Finally, the promises of domestic industry promotion and rapid self-sufficiency in industrial and consumer goods became 'mere rhetoric' as China began to export many of its products to Latin America.² Unable to compete against the cheaper Chinese imports, many industries and firms in the region suffered and governments were unable to impose strong protectionist measures because of their ideological identification with China's socialist policies. Moreover, China's lending and investments to

the region made Latin American economies dependent on Chinese goodwill. One frequently cited statistic in this regard is that China now lends more to Latin America and the Caribbean on an annual basis than the Inter-American Development Bank and the World Bank combined.³

Thus the pink tide reached its high water mark and has now begun to recede.⁴ Today, left-leaning governments are being voted out of power (e.g., Argentina), experiencing political and economic turmoil (Venezuela) or facing corruption charges (Brazil). It remains to be seen whether this foretells a reversal towards neoliberalism or even a dialectical synthesis between the Washington Consensus and the pink tide's populist version of neo-developmentalism, but the changing political landscape suggests that the former may well be the case. ♦

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Persistent inequality: the legacy of the pink tide and its limitations

As neoliberal policies wreaked havoc across Latin America, people in a number of countries reacted by ushering in left-leaning regimes. While this turn to the left (dubbed the 'pink tide') resulted in some impressive reforms which uplifted millions of people from abject poverty, the leadership of these regimes were unable, in the face of the assault from vested interests, to sustain their hold on power to carry out the radical reforms necessary to realise a more equitable social order. *Sérgio Costa* and *Francesc Badia* consider the legacy of the pink tide regimes.

IN this election year in Latin America, when it is possible that the tide will confirm its turn and may strengthen conservative forces, the time is ripe to reflect on how progressive governments failed to reduce inequality during the virtuous decade of progressive governments throughout the region that managed to remove millions of citizens from extreme poverty.

But new measurements, no longer based on household surveys but on income tax declarations, have shown that the impacts of leftist governments in Latin America on income redistribution and wealth were less than assumed.

It has been found that these governments were able to significantly reduce poverty, but not decrease the concentration of income and wealth among the small group of millionaires located at the peak of the social pyramid in each country. This argument has been used to undermine the credibility of the leftist governments, alleging that they were not efficient, not even in the objective for which they have said they are essential, which is the reduction of inequality.

The pink tide and the struggle against inequality

It is true that inequalities and poverty have decreased more in the countries that, in recent years, were or continue to be governed by leftist forces, particularly Argentina, Bolivia, Bra-



Apu Gomes/Oxfam

Advances in the struggle against inequality during the pink tide cycle have been much more limited than expected.

zil, Chile, Ecuador, El Salvador, Nicaragua, Paraguay, Uruguay and Venezuela, than in the Latin American countries not governed by leftist forces.

Nevertheless, it cannot be denied that advances in the struggle against inequality in the pink tide cycle have been much more limited than expected from governments that were elected based on a promise of reverting inequalities accumulated since the colonial period.

The explanations for this modest performance normally combine external and internal factors. In terms of external factors, it is alleged that the cycle of economic growth that helped finance spending on the social policies of leftist governments was based

on the exports of raw materials and agricultural products whose volatile prices have been largely declining on international markets in recent times.

From an internal perspective, the central social policy adopted by practically all the leftist governments has been criticised, that is, cash transfers to the poorest. It is known that these policies, unlike policies aimed at the formation of long-lasting structures of a welfare state (quality education and healthcare provided by the state, public investments in professional training, etc.), have, by the strength of their own design, a very limited redistributive impact.

The tax question has also been highly debated. After all, except in isolated cases, the leftist governments

were not able to create progressive tax structures that could redistribute income from the top to the base of the social pyramid.

These explanations are solid and pertinent and deserve to be considered. Nevertheless, they only reveal the surface of the phenomenon that they study and do not elucidate the ultimate reasons why the leftist governments have not gone much beyond the programmes for distribution of money to the poor.

To understand these reasons, it is necessary to articulate the analysis of social inequalities with the study of power relations in each case. That is, it is necessary to understand the political circumstances that caused the leftist governments to be unable to go further in addressing their concern for promoting income redistribution.

Six factors to be addressed

1. The exhaustion of grand national narratives that at other moments of recent Latin American history have united a nation around common objectives: This was the case, for example, with the national-developmental discourse that in the mid-20th century helped to legitimate the decisive participation of the state in the socioeconomic development of countries such as Argentina and Brazil.

Something similar was observed during the democratisation process at the end of the last century, when groups with quite diverse interests joined around the common objective of re-establishing democracies in countries such as Argentina, Brazil, Paraguay, Uruguay and Chile.

The leftist forces that assumed power in the 21st century, even if they had been capable of winning elections, were not able to transform the fight against inequality into a national hegemonic project.

2. The erosion of national public spheres: In the context of democratisation in the various countries, public spaces were formed that were capable of promoting the effective interchange of ideas, interpretations and arguments of various social groups. These arenas of debate allowed governments to both promote and defend their policies as well as re-adjust them

according to public reactions.

In recent years, the intensified concentration and the increased partisan nature of mass communication media, coupled with the rise of a multiplicity of forums and blogs that do not communicate with each other, have transformed the public sphere into a space of struggle in which insults and fake news have more weight than good arguments.

This new context creates insurmountable difficulties for the legitimisation of proposals of substantive change such as the profound programmes for income redistribution that the Latin American left intended to implement.

3. Volatile parliamentary base: Most of the leftist governments were only able to be established at the cost of alliances with conservative forces. If these alliances guarantee the formation of a legislative majority necessary to govern, they very often impeded projects for tax reform or bolder redistributive plans.

4. Emergence of the so-called new middle classes that demonstrated greater commitment to individual upward mobility and the broadening of their opportunities for consumption than to the promotion of social justice.

This obviously does not involve a moral condemnation of these strata for wanting material prosperity. What it indicates is that the rise of the so-called new middle classes, typical voters for the leftist governments, forced these governments to 'correct' their discourse and their more radical redistributive intentions in favour of measures aimed at expanding the consumption possibilities and upward mobility of this segment.

5. Resistance of the established middle classes: In many countries, the growing consumption capacity of the new middle classes was seen by the established middle classes as a threat to their class reproduction. After all, their common markers of social distinction such as access to certain goods and services (cars, domestic employees, university education, etc.) either were no longer guaranteed or failed to be a privilege of the established middle classes.

This transformed the established

middle classes into a large and powerful opponent of the leftist governments and their redistributive plans.

6. Appropriation of the state and of politics by economic elites: In recent years, the wealthiest groups in Latin America were able to extend and consolidate their control over the states in the region, including those governed by the left.

Through strong and often corrupt influence over politicians and governments, these elites were able to instrumentalise portions of the state to serve their interests, as well as obstruct, in the legislative realm, laws and reforms that could limit their economic power.

This explains, at least in part, the absence in many countries of fair taxation of capital gains or of large fortunes. It also explains why the peak of the social pyramid (the wealthiest 1% of each country) was able to broaden their participation in the appropriation of wealth and income even in the countries governed by the left.

The combination of these six factors, and others that prove to be relevant for each particular country, allow a deeper and better-articulated interpretation of the modest results of the leftist governments of Latin America in terms of the promotion of the distribution of income and wealth.

The meagre results are not due to a lack of political will, technical incompetence or ignorance of the effective mechanisms for promotion of greater equality. Given the circumstances in which the governments took power, it seems that the leftist forces have thus far lacked enough power to promote more radical reforms. ♦

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Understanding and misunderstanding the pink tide in Latin America

Tom Chodor argues against being too dismissive of the efforts of the pink tide leftist regimes to offer a viable alternative to neoliberalism. These regimes carried out social policies which uplifted millions of poor people from poverty. Much of their economic project must be seen as a work in progress and it highlights the difficulties of constructing a radical alternative culture in a short historical period.

THE recent departure of the late Eduardo Galeano, author of the classic *Las Venas Abiertas de América Latina* (Open Veins of Latin America), highlights more than ever, especially since the late 1990s, that Latin America has been at the forefront of experiments with alternatives to neoliberalism, which themselves have been highly contested.

Indeed, beginning with the election of Hugo Chávez in Venezuela in 1998, Latin America has seen a 'pink tide' of leftist governments elected across the region, all with a mandate to confront 'savage neoliberalism'. And confront it they did! Over the past decade, the region has made impressive developmental strides under pink tide governments, lifting more than 56 million people out of poverty, more than 20 million out of extreme poverty, and bucking the global trend by reducing income inequality. As even neoliberal stalwarts like the International Monetary Fund (IMF) have been forced to admit, states in the region seem to have found the 'enviable sweet spot' between growth and social progress.

And yet, understandings of the pink tide too often remain rooted in a simplistic binary between 'good' and 'bad' lefts, best articulated by the Mexican diplomat and scholar Jorge Castañeda in 2006. According to this 'two lefts thesis', the pink tide divides into the 'good' countries – for example, Brazil, Chile, Uruguay – which embrace neoliberal globalisation and reap its benefits, and 'bad' ones that



The protests at the time of the 2013 Confederations Cup football tournament were one example of a growing mobilisation by subordinate social forces seeking to push the limits of the possible in the Brazilian project.

remain ignorant of the new globalised reality, pursuing fruitless utopias leading to economic ruin, with Venezuela, Bolivia and Ecuador the usual culprits.

In truth, the situation is a great deal more complex, and in my book *Neoliberal Hegemony and the Pink Tide in Latin America: Breaking Up with TINA?*, I offer an alternative framework for understanding the pink tide, focusing on its two most prominent members: Brazil under the Workers Party (PT) governments of Lula and Dilma Rousseff, and Venezuela under Chávez and now Nicolás Maduro.

Utilising the work of Antonio Gramsci, I argue that the pink tide is itself a contested phenomenon, an object of social struggles in a process Gramsci would recognise as a 'war of position'. Within this war of posi-

tion, different social forces put forward alternative political, economic and social projects – 'historical blocs' – that seek to respond to the organic crisis of neoliberalism, with Brazil and Venezuela the two clearest articulations of this process.

Brazil's project can be understood, in Gramscian terms, as an example of a 'passive revolution' – an attempt to reform the most objectionable aspects of neoliberalism in order to preserve consent for it. Whilst a passive revolution inevitably involves significant material and ideological concessions to the subordinate and marginalised classes, its ultimate aim is to preclude more radical challenges to dominant class hegemony from below.

In the Brazilian case, this has seen the Workers Party governments articulating an industrial strategy that

charges the state with increasing the competitiveness of local capital in the global economy via 'neostructuralist' means reminiscent of the East Asian developmentalist state, including subsidies and inducements for research and development (R&D), an increased focus on education and training, the promotion of 'national champions' in their bids to conquer the global market, and the fostering of a tripartite compromise between state, capital and labour, all while bolstering domestic demand via public investment and financing. At the same time, social policy is oriented towards improving the conditions of the marginalised classes, for example through increasing wages and expanding the provision of welfare and social services, most famously through the Bolsa Família conditional cash transfer programme.

While delivering impressive socioeconomic results, the overall aim is to incorporate previously marginalised social forces – domestic capital and the subordinate classes – into the neoliberal historical bloc, in order to sustain consent for it. The result is a hybrid combination of reform and restoration which departs from the neoliberal project in certain ways while preserving it in others.

Nevertheless, this project should not be thought of as completely devoid of radical potential. As Gramsci himself reminded us, by the very virtue of the new balance of forces it creates, a passive revolution also necessarily creates new points of tension that can provide openings for more radical praxis. The Brazilian passive revolution is no different, and the widely reported 2013 Confederations Cup protests are only one example of a growing mobilisation by subordinate social forces seeking to push the limits of the possible in the Brazilian project. Thus, rather than a straightforward acceptance of the neoliberal common sense as the two lefts thesis would have it, the Brazilian situation is much more complex and interesting, as Alfredo Saad-Filho also notes.¹

This is even more so in the case of Venezuela, and the crude characterisations of the Bolivarian Revolution

as Chávez's authoritarian vanity project. Instead, as I argue in my book, the Revolution can be more accurately seen as a potentially counter-hegemonic project that seeks to construct a Bolivarian 'collective will' – an alternative emancipatory culture based on solidarity, social justice, democracy and protagonism that enables revolutionary praxis.

In this analysis, Chávez played the role of a radical 'organic intellectual', reaching out to subaltern social forces and articulating their multifaceted and often disparate grievances with the social order into a coherent critique of dominant class common sense, founding the basis for the collective will. Once in power, Chávez proceeded to construct political, economic and social structures that would foster this collective will and facilitate radical subaltern praxis. These include, for example, the Communal Councils through which people take over the management of their own communities, rather than relying on elected representatives or bureaucratic officials. Economically, this has involved experiments with a 'social economy' in which the profit motive is replaced by a focus on the satisfaction of collective needs, through the promotion of Social Production Enterprises, cooperatives, and worker and co-managed factories. Likewise, there has been a drastic expansion of education, via a system of 'missions' which provide access to education for previously marginalised communities, coupled with the radicalisation of the curriculum towards critical, holistic and transdisciplinary learning. In all of these structures, the focus is on constructing a new common consciousness to enable radical praxis with a strong geopolitical dynamic, as Luis Angosto-Ferrández writes.²

However, the extent and success of these experiments should not be overstated. They are, still, experiments, and occur within the context of the traditional social order. Thus, for example, the social economy experiments remain cautious and often problematic, and embedded in a larger economic project more accurately described as state-led capitalism rather

than socialism. Likewise, the traditional institutions of the state endure, while corruption and occasional authoritarian practices remain a problem. This reflects the fact that the Bolivarian collective will remains very much a work in progress, highlighting the difficulties of constructing a radical alternative culture in a short historical period.

Moreover, the Revolution has not attained hegemony across society. While the Bolivarian historical bloc brings together an alliance of subaltern social forces, the state and the military, local and transnational capital remains vehemently opposed to the Revolution, while middle-class support is contingent on the satisfaction of material needs. With Venezuela in the midst of an economic crisis fuelled by a capital strike and policy mistakes, this threatens the future of the Revolution, especially in the absence of Chávez following his death from cancer in 2013. Nevertheless, I argue that the Bolivarian Revolution has unleashed a process of profound change in Venezuela that will not be easily reversed; a process that, contrary to the two lefts thesis, creates openings for a radical democratisation of the country.

In a sense then, my book agrees with the notion that there are two lefts in Latin America, exemplified by Brazil and Venezuela. However, unlike mainstream analyses, I argue that the difference between them should not be conceived of in dichotomous terms – as a stark choice between 'reform' or 'revolution', or a simple difference between 'good' and 'bad' leftism. Rather, it needs to be understood dialectically, in terms of the potentials for radical transformations that arise out of their interaction.

These, I suggest, are most evident at the regional level, where Brazil, Venezuela and other pink tide members are creating a new regional common sense, characterised by a renewed emphasis on Latin American autonomy and unity, and desires to deepen democracy and find alternative development strategies in the global political economy. Just as it is domestically, the exact meaning and

emancipatory potential of this common sense is the subject of a regional war of position, in which competing social forces put forward different projects for the region. They do so via new regional institutions like UN-ASUR, ALBA, CELAC, BancoSur or Telesur, which create the sort of spaces for social struggles that have never existed before in the region's history. Thus, there is a new historical bloc under construction in Latin America, one that, in Gramscian terms, has clear counter-hegemonic potentials. As Eduardo Galeano states in *Open Veins of Latin America*:

'The Latin American cause is above all a social cause: the rebirth of Latin America must start with the overthrow of its masters, country by country. We are entering times of rebellion and change. There are those who believe that destiny rests on the knees of the gods; but the truth is that it confronts the conscience of man with a burning challenge.'

To what extent these potentials become actualised will only be clear with time; meanwhile my examination of neoliberal hegemony and the pink tide in Latin America might offer insights on the global search for alternatives. ♦

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Notes

1. Alfredo Saad-Filho, 'Brazil: The D  b  cle of the PT', Progress in Political Economy blog, 31 March 2015, <http://ppesydney.net/brazil-the-debacle-of-the-pt/>
2. Luis F Angosto-Ferr  ndez, 'Venezuela a threat to the USA, says Obama', Progress in Political Economy blog, 13 March 2015, <http://ppesydney.net/venezuela-a-threat-to-the-usa-says-obama/>

A Summary of Public Concerns on Investment Treaties and Investor-State Dispute Settlement

by Martin Khor

International investment agreements, specifically bilateral investment treaties and the investment chapters in free trade agreements, have come under the spotlight for what are seen as skewed provisions that grant excessive rights to foreign investors and foreign companies at the expense of national policymaking flexibility. Of particular concern is the investor-state dispute settlement framework embedded in many of these treaties, which enables foreign investors to sue host-country governments in opaque international tribunals.

The serious risks involved have prompted a rethink of investment pacts in developing and developed countries alike. In place of the current lopsided system, calls

are growing for agreements which would balance legitimate investor rights with the rights of the state to regulate investment and formulate policies in the public interest.



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Is Latin America still the US' 'backyard'?

Despite changes in tactics, the overarching goal of all US administrations in Latin America since at least the early 20th century has been the same: maintaining US hegemony throughout the region. But there has always been local resistance and this will undoubtedly continue, abetted by the relative decline of the US as an economic power.

IN late spring of 2008, the prestigious Council on Foreign Relations published a report titled 'US-Latin America Relations: A New Direction for a New Reality'. Timed to influence the foreign policy agenda of the next US administration, the report asserted: 'The era of the US as the dominant influence in Latin America is over.'

At the Summit of the Americas in April the following year, US President Barack Obama appeared to be on the same page as the report's authors, promising Latin American leaders a 'new era' of 'equal partnership' and 'mutual respect'. Four years later, Obama's second Secretary of State, John Kerry, went a step further, solemnly declaring before his regional counterparts at the Organisation of American States (OAS) that the 'era of the Monroe Doctrine is over'. The speech – heralding the end of a nearly 200-year-old policy widely seen as a blank cheque for US intervention in the region – was warmly applauded, and perhaps earned Kerry some forgiveness for having referred to Latin America as the US' 'backyard' a few months earlier.

In its approach to Latin America, President Donald Trump's administration has struck a decidedly different tone from that of the Obama administration. Soon after moving into the White House, Trump announced he would roll back Obama's widely praised policies normalising relations with Cuba. Instead of confirming the demise of the Monroe Doctrine, Trump's first Secretary of State, Rex Tillerson, declared that it 'clearly has been a success'. Lest anyone think him unknowledgeable regarding the

Alexander Main

doctrine's history, he proudly echoed the sentiments of its original authors (President John Adams and Secretary of State James Monroe) by noting, with regard to China's growing relations in the region, that 'Latin America does not need new imperial powers' and 'our region must be diligent to guard against faraway powers...'

Given these and other pronouncements by Trump and his team, it is tempting to consider that the current US administration is intent on derailing a progressive and enlightened Latin America policy initiated under Obama. But closer scrutiny of the policies underway suggests that, for the most part, the Trump administration is pursuing essentially the same political, economic and security objectives in the region as Obama, albeit at times in a more brazen and aggressive manner. Similarly, it is worth noting that Obama's Latin America agenda – with the important and late exception of the Cuba opening – didn't diverge significantly from that of his predecessor, George W Bush.

In fact, US administrations have been pursuing roughly the same agenda in Latin America since at least the early 20th century, though the tactics employed have changed significantly over time. The overarching goal remains the same: maintaining US hegemony throughout the region. But, although right-wing, pro-US regional actors have staged a major comeback in recent years, maintaining US strategic control in Latin America

may be difficult to sustain in the long term, due in part to the progressive displacement of the US as the hemisphere's dominant economic player. And Trump's extreme nationalism may contribute to a reawakening of nationalist and anti-imperialist impulses, as has recently occurred in Mexico.

Political shift

Though often cloaked in a rhetoric of democracy promotion and human rights, Washington's political playbook in Latin America can be summarised as follows: coddle the governments and movements that support US economic, security and foreign policy objectives and try to eradicate those that don't. In this regard, Obama succeeded in passing on a very strong hand to Trump. Whereas at the time of Obama's 2009 inauguration the majority of Latin Americans lived under progressive governments that, by and large, sought greater independence from the US, by the time he left office, only a small handful of countries still had left-leaning governments.

Obama played no small role in bringing about this tectonic political shift. In 2009, he and his first Secretary of State, Hillary Clinton, helped a right-wing military coup succeed in Honduras by stymieing efforts to restore the elected, left-leaning president Manuel Zelaya. The next year, the US intervened in the Haitian elections, successfully pressuring the country's authorities to arbitrarily change the electoral results in order to ensure the victory of a right-wing,

pro-US candidate. In 2011, the US State Department thwarted regional efforts to reverse a 'parliamentary coup' that removed the left-wing president of Paraguay through a widely contested process.

During the summer of 2016, the Obama government threw all its diplomatic weight behind corrupt, right-wing political actors in Brazil that removed left-leaning President Dilma Rousseff through a flawed and controversial impeachment process. Around the same time, the US administration was opposing multilateral loans to the left-wing government of Cristina Kirchner, thereby aggravating a tumultuous economic situation that helped seal the victory of right-wing multimillionaire Mauricio Macri in the 2015 presidential elections. The defeat of the left in Brazil and Argentina meant that two pillars of Latin America's progressive integration movement of the early 21st century had been removed. One pillar remained, stubbornly resisting the US' repeated attempts to dislodge its government: Venezuela.

Obama did make a valiant effort to remove Venezuela's chavistas from power. His administration refused to recognise the 2013 electoral victory of Nicolás Maduro, despite no evidence of fraud. In 2015, just as he was taking steps to normalise relations with Cuba, Obama declared Venezuela an 'extraordinary threat to the national security and foreign policy of the United States' in order to justify the imposition of targeted sanctions against senior government officials. But in August 2017, Trump one-upped Obama, imposing broad economic sanctions that sharply restricted Venezuela's access to international financial markets, thereby exacerbating the country's ongoing economic crisis. White House sources revealed that Trump has also been considering a military invasion of Venezuela.

Why this obsession with Venezuela, a country that poses no security threat to the US? As is frequently pointed out, Washington's Latin America policy is often a product of domestic politics, and the Venezuela obsession – nurtured in part by

wealthy, far-right sectors of the Cuban and Venezuelan diaspora in Florida – is an example of this. But, more significantly, a left government in Venezuela poses a unique challenge to US hegemony given its vast oil wealth and its consequent ability to project influence far beyond its borders (as exemplified by the Petrocaribe agreement and other Venezuelan regional initiatives). While both these factors have, for years, contributed to Venezuela's status as the number one enemy in the hemisphere, the Trump foreign policy team includes a particularly virulent cast of characters that have taken the Venezuela obsession to a new extreme.

Trump's foreign policy 'dream team' includes National Security Advisor John Bolton, a notorious neo-conservative who fixated on the Venezuela 'threat' while in the George W Bush administration. Tillerson has been replaced by foreign policy hawk Mike Pompeo. While Tillerson sparked controversy with his praise for the Monroe Doctrine, he was in some regards more cautious than his successor, having reportedly opposed the financial sanctions against Venezuela recommended by then CIA director Pompeo.

Finally, Cuban-American Florida Senator Marco Rubio – who has strong relations with the most hard-line sectors of the Cuban and Venezuelan diaspora – has by all accounts become Trump's main adviser on Latin America. Among other things, he lobbied successfully for economic sanctions against Venezuela and called for a military coup there.

Though Trump's team appears to be particularly focused on Venezuela, there is little doubt that it also has its sights on the few other remaining left-leaning governments in the region: Cuba, Bolivia, Nicaragua, El Salvador, and perhaps even Uruguay's very moderate left government. At their disposal is a full arsenal of 'soft power' tools to advance the US 'democracy and governance' agenda. The United States Agency for International Development (USAID) and the government-funded National Endowment for Democracy (NED) have 'democracy promotion' programmes that provide training and funding to, primarily, pro-US organi-

sations that often have links to political parties. In a number of countries – such as Venezuela, Bolivia, Ecuador and El Salvador – the US has used these programmes to provide material and tactical support to violent and antidemocratic right-wing movements.

Security strategy

Trump has also embraced his predecessor's regional security agenda, which itself was built on anti-drug and counterinsurgency strategies developed under Bill Clinton and George W Bush. Both presidents poured billions of dollars into Plan Colombia, which supported vast military offensives that led to the displacement of millions and contributed to thousands of civilian deaths while having virtually no impact on cocaine production.

Despite its questionable results, Plan Colombia was applauded by much of the foreign policy establishment and touted as a model for the Bush-backed Mérida Initiative in Mexico (2008), which supported a militarised 'war on drugs' that has seen tens of thousands of deaths. Mérida originally included a Central America component, but the Obama administration splintered it off and created the Central America Regional Security Initiative (CARSI), which mobilises tens of millions of dollars of security assistance primarily for Honduras, Guatemala and El Salvador. In recent years, each of these countries has adopted its own militarised approach to law enforcement and each has experienced surges in violence that rank them among the most violent countries on earth. Studies show that this violence has been a major factor in the sharp uptick in the number of migrants from these countries who flee to Mexico and the US.

Of course the US government has had a robust security agenda spanning much of Latin America since well before Teddy Roosevelt famously declared the US the region's 'international police power'. During the first decades of the 20th century, the US carried out numerous military interventions in Latin America and the Caribbean, including long military occupations of Nicaragua, Haiti and the Dominican Republic.

Following World War II, the US government developed strategies of far-reaching engagement with military forces throughout the hemisphere. In 1946, the US Department of Defense launched the School of the Americas (later renamed the Western Hemisphere Institute for Security Cooperation, or WHINSEC), where thousands of military officials from around Latin America received counterinsurgency training, ostensibly so as to defend their countries against Soviet-promoted communism. Direct US military intervention in the region became less frequent, but Latin American military forces would often act in tandem with US intelligence operatives to violently suppress left-wing movements and in many cases overthrow left-wing governments.

The Cold War may have officially ended in 1991, but US training programmes continued. US-trained military personnel were involved in military coups in Haiti (1991), Venezuela (2002) and Honduras (2009), as well as bloody counterinsurgency campaigns in Guatemala, El Salvador and Colombia.

US training programmes, along with other forms of security assistance, have allowed the Pentagon to maintain a strong, ongoing influence within Latin America's military forces. In addition, the US has expanded its direct military presence in the region through formal and informal basing agreements in a number of countries, including Peru, Guatemala, Honduras and, of course, Colombia, the Pentagon's top strategic partner in the region. These and other agreements allow the US to use military and other government facilities in various parts of Latin America as platforms for launching security operations or carrying out intelligence-gathering activities.

The aggregate result of US training programmes and basing and other logistical agreements is the consolidation of the US military's strategic control over much of the region. Maintaining this control has been a priority for the US, irrespective of the administration in place.

Honduras – where the US has had hundreds of troops stationed since the early 1980s – provides a vivid illustration of how a strategic security

relationship can, from the US government's point of view, take priority over any other consideration. In June of 2009, US-trained commanders carried out a military coup against the country's elected President, Manuel Zelaya, who had, on the domestic front, developed close relations with movements who had campaigned against the US military presence in Honduras and, on the external front, forged a strong alliance with the Venezuelan government. As described earlier, the US helped the coup succeed and later increased security assistance to Honduras despite a surge in human rights abuses, including hundreds of killings of social leaders like the late Berta Cáceres, whose murderers included US-trained former and active military officials.

In late November 2017, right-wing incumbent Juan Orlando Hernández was declared the winner of an election so badly marred by fraudulent activity that even the Washington-aligned Organisation of American States called for a do-over. In the weeks that followed, protests broke out throughout the country and were violently repressed by military and police forces using live ammunition, leading to dozens of deaths of unarmed demonstrators. Unfazed, the US State Department recognised the election result and continued to provide robust assistance to the country's security forces.

Economic agenda

With regard to the US regional economic agenda, Trump has, in some respects, veered sharply away from the policies of his predecessors, in particular with his decision to renegotiate the North American Free Trade Agreement (NAFTA). Negotiated under George HW Bush, approved under Clinton, and strongly supported by George W Bush and Obama, NAFTA has been touted as a model trade agreement by much of the US establishment (in much the same way as Plan Colombia is seen as a model security programme). The economic nationalists close to Trump hope to rewrite the agreement in a manner that restores protections for some US-heavy industries and reduc-

es so-called investor rights, but they face stiff opposition from many cabinet members and Trump donors who represent the interests of multinational corporations and Wall Street banks. [Note: The negotiations on a replacement for NAFTA have since concluded with a United States-Mexico-Canada Agreement (USMCA), which will take effect once it is approved by legislators from the three countries.]

However, there is no indication that Trump's coterie of economic nationalists is seeking to wind down efforts to promote neoliberalism throughout the region, as the US government has been doing since the late 1970s. The US continues to deploy a variety of intrusive tools to advance policies that shift control of economic factors from states to private sectors and that expand the financialisation of economies. These policies have been a boon to US multinationals and Wall Street, but have failed to improve the lives of most Latin Americans.

The International Monetary Fund (IMF), the World Bank and other international financial institutions (IFIs) in which the US exercises effective control over policy, continue to attach conditions to loans that can lead to economically crippling monetary and fiscal tightening and force governments to abandon development strategies and industrial policies. Meanwhile, US economic aid programmes often further weaken the economic role of the state through support for the privatisation of public services and utilities, and through technical 'assistance' that weakens regulatory frameworks so as to attract foreign direct investment at all costs.

In the 1980s and 1990s, Latin America experienced more of these neoliberal 'structural adjustments' than any other part of the world, in large part because governments required IFI loans following the debt crises of the early 1980s. The result was the end of a cycle of vigorous economic development for much of the region and two decades of largely stagnant growth, with declining social indicators and the selling off of public services.

By the end of the 1990s, Latin

Americans had had enough, and began electing left-leaning governments that, to varying degrees, opposed the neoliberal 'Washington Consensus'. The result was a period in which heterodox economic policies, including the expansion of public health, education and housing programmes for the poor and the renationalisation of strategic industries, were implemented in many countries, particularly in South America. The results were largely very positive, with significant upticks in economic growth and a reduction in poverty and inequality levels.

Over the last few years, economic turbulence – resulting in part from falling commodity prices and other external factors – has contributed to neoliberal, right-wing actors retaking power. As examined previously, US-backed anti-democratic offensives have contributed to the rightward shift as well. As a result, the US neoliberal economic agenda is again dominant in most of Latin America. Yet the US government fears that the region could slip out of its control yet again. And these fears may be well founded.

For one, there is little appetite in the region for more neoliberal reforms. It is interesting to note, for instance, that massive protests have taken place in three countries where the IMF has recently become involved in economic policy-making: Argentina, Haiti and Nicaragua (though in the latter the protests appear to have received additional support from US-backed entities). In Brazil, extreme austerity measures are being applied with support from the IMF and the powerful financial sector, and the ratings of the country's unelected president have sunk to 5%.

In other words, despite the US government's best efforts to keep the left out of power, elections are likely to favour anti-neoliberal movements in the long run. Though the risk of a return to dictatorial regimes is no longer a far-fetched possibility, particularly when one considers recent developments in places like Brazil (where a popular former president has been jailed on unproven charges) or

Honduras (where the US supported a fraudulent and unconstitutional re-election).

But the current US administration has more than just democratic elections to worry about. When Tillerson spoke of the need to 'guard against faraway powers', he wasn't speaking in an abstract manner; he was referring primarily to China, which he accused of 'using economic statecraft to pull the region into its orbit'. The White House's 2017 National Security Strategy uses similar language to describe the Chinese 'threat', as do senior members of the US Congress from both major parties.

What they all seem to fear is China's growing economic ascendancy in Latin America. Total trade between China and Latin America has gone from \$12 billion in 2000 to nearly \$280 billion in 2017. China has also become a major investor in the region, and its credit lines, mostly for energy and infrastructure projects, now surpass the combined financing of the World Bank and Inter-American Development Bank.

Tillerson and other officials have warned that China is promoting a nefarious 'state-led model of development', while the NED recently published a report warning that China is capitalising 'on its economic strength to enhance its political influence across the region'. In reality, there is no evidence suggesting that China isn't adhering to its policy of non-intervention in other countries' internal affairs. Contrary to the lending practices of the IMF, World Bank and other US-backed IFIs, Chinese financing is not contingent on the application of orthodox economic policies by governments, nor on any other macroeconomic policies.

From the perspective of senior US policy-makers, this is in fact the problem. China, by not imposing policy prescriptions in its commercial and financial dealings, provides its Latin American partners with policy space to advance their own economic and political alternatives, including 'state-led' practices that clash with the US agenda. Though US officials are sounding increasingly menacing

vis-à-vis the Chinese 'threat' in Latin America – most recently with intense attacks against the government of El Salvador following its decision to break relations with Taiwan and normalise relations with Beijing – there is little they can really do to halt China's inexorable advance in the region.

Continuing resistance

Trump's aggressive, interventionist agenda in Latin America, like the very similar agendas of his predecessors, is largely uncontroversial within the US mainstream (barring the demand for a border wall paid by Mexico and a few other outrageous pronouncements). For many decades, much of the country's foreign policy elite has quietly accepted the idea that the US must maintain hegemonic political, military and economic influence in the region. Even liberal international relations experts John Mearsheimer and Stephen Walt – who embrace the notion of a multipolar world – have argued that 'preserving US dominance in the Western Hemisphere' is 'what really matters'. For many, it is a question of securing US international credibility as a superpower.

But the Latin American resistance to the US regional agenda will undoubtedly continue, abetted by the relative decline of the US as an economic power, along with the inevitable anti-Americanism generated by Trump's xenophobic antics. The latest sign of resistance comes from Mexico, where decades of neoliberalism and a failed and devastating US-backed drug war spurred the landslide victory of a left-wing candidate for the first time in the country's contemporary history. At a time when most of the region's governments are beholden to Washington, the remarkable political transformation underway just south of the US border provides a beacon of hope for the peoples of Latin America and their quest for true independence. ♦

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The coup against President Rousseff

Although Brazilian President Dilma Rousseff had committed no impeachable offence, the US-inspired opposition decided to overthrow her administration by means of what can only be described as a coup. *Alfredo Saad-Filho* explains.

EVERY so often, the bourgeois political system runs into crisis. The machinery of the state jams, the veils of consent are torn asunder, and the tools of power appear disturbingly naked. Brazil is living through one of those moments: it is a dreamland for social scientists, a nightmare for everyone else.

Dilma Rousseff was elected president in 2010, with a 56%-44% majority against the right-wing neoliberal Brazilian Social Democratic Party (PSDB) opposition candidate. She was re-elected four years later with a diminished yet convincing majority of 52%-48%, or a difference of 3.5 million votes.

Rousseff's second victory sparked a heated panic among the neoliberal and United States-aligned opposition. The fourth consecutive election of a president affiliated to the centre-left Workers Party (PT) was bad news for the opposition, among other reasons, because it suggested that PT founder Luiz Inácio Lula da Silva could return in 2018. Lula had been president between 2003 and 2010, and when he left office, his approval rating hit 90%, making him the most popular leader in Brazilian history. This threat of continuity suggested that the opposition could be out of federal office for a generation. They immediately rejected the outcome of the vote. No credible complaints could be made, but no matter; it was resolved that Dilma Rousseff would be overthrown by any means necessary. To understand what happened next, we must return to 2011.

Dilma inherited from Lula a booming economy. Alongside China and other middle-income countries, Brazil bounced back vigorously after the global crisis. Gross domestic

product (GDP) expanded by 7.5% in 2010 – the fastest rate in decades – and Lula's hybrid neoliberal-neodevelopmental economic policies seemed to have hit the perfect balance: sufficiently orthodox to enjoy the confidence of large sections of the internal bourgeoisie and the formal and informal working class, and heterodox enough to deliver the greatest redistribution of income and privilege in Brazil's recorded history.

For example, the real minimum wage rose by 70%, and 21 million (mostly low-paid) jobs were created in the 2000s. Social provision increased significantly, including the world-famous Bolsa Família conditional cash transfer programme, and the government supported a dramatic expansion of higher education, including quotas for blacks and state school pupils. For the first time, the poor could access education as well as income and bank loans. They proceeded to study, earn and borrow, and to occupy spaces previously the preserve of the upper-middle class: airports, shopping malls, banks, private health facilities and roads, with the latter clogged up by cheap cars purchased on 72 easy payments. The government enjoyed a comfortable majority in a highly fragmented Congress, and Lula's legendary political skills managed to keep most of the political elite on side.

Miscalculation

Then everything started to go wrong. Dilma Rousseff was chosen by Lula as his successor. She was a steady pair of hands and a competent manager and enforcer. She was also the most left-wing president of Brazil since João Goulart, who was over-

thrown by a military coup in 1964. However, she had no political track record and, it will soon become evident, lacked essential qualities for the job.

Once elected, Rousseff shifted economic policies further away from neoliberalism. The government intervened in several sectors, seeking to promote investment and output, and put intense pressure on the financial system to reduce interest rates, which lowered credit costs and the government's debt service, releasing funds for consumption and investment. A virtuous circle of growth and distribution seemed possible.

Unfortunately, the government miscalculated the lasting impact of the global crisis. The US and European economies stagnated, China's growth faltered, and the so-called commodity supercycle vanished. Brazil's current account was ruined. Even worse, the United States, the United Kingdom, Japan and the eurozone introduced quantitative easing policies that led to massive capital outflows towards middle-income countries. Brazil faced a tsunami of foreign exchange that overvalued the currency and bred deindustrialisation. Economic growth rates fell precipitously.

The government doubled its interventionism through public investment, subsidised loans and tax rebates, which ravaged the public accounts. Their frantic and seemingly random interventionism scared away the internal bourgeoisie: local magnates were content to run government through the Workers Party but would not be managed by a former political prisoner who overtly despised them. And Rousseff's antipathy was not only reserved for the capitalists: the

president had little inclination to speak to social movements, left organisations, lobbies, allied parties, elected politicians or her own ministers. The economy stalled and Rousseff's political alliances shrank, in a fast-moving dance of destruction. The neoliberal opposition scented blood.

For years, the opposition to the PT had been rudderless. The PSDB had nothing appealing to offer while, as is traditional in Brazil, most other parties were gangs of bandits extorting the government for selfish gain. The situation was so desperate that the mainstream media overtly took the mantle of opposition, driving the anti-PT agenda and literally instructing politicians what to do next. In the meantime, the radical left remained small and relatively powerless. It was despised by the hegemonic ambitions of the PT.

The confluence of dissatisfactions became an irresistible force in 2013. The mainstream media is rabidly neoliberal and utterly ruthless: it is as if Fox News and its clones dominated the entire US media, including all TV chains and the main newspapers. The upper-middle class were their obliging target, as they had economic, social and political reasons to be unhappy. Upper-middle-class jobs were declining, with 4.3 million posts paying between five and 10 minimum wages vanishing in the 2000s. In the meantime, the bourgeoisie was doing well, and the poor advanced fast: even domestic servants got labour rights. The upper-middle class felt squeezed economically and excluded from their privileged spaces. It was also dislocated from the state. Since Lula's election, the state bureaucracy had been populated by thousands of cadres appointed by the PT and the left, to the detriment of 'better-educated', whiter and, presumably, more deserving upper-middle-class competitors.

Mass demonstrations erupted for the first time in June 2013, triggered by left-wing opposition against a bus fare increase in Sao Paulo. Those demonstrations were fanned by the media and captured by the upper-middle class and the right, and they shook the government – but, clearly, not

enough to motivate them to save themselves. The demonstrations returned two years later. And then in 2016.

Corruption crusade

Now, reader, follow this. After the decimation of the state apparatus by the pre-Lula neoliberal administrations, the PT sought to rebuild selected areas of the bureaucracy – among them, for reasons that Lula may soon have plenty of time to review and to regret, the Federal Police and the Federal Prosecution Office (FPO). In addition, for overtly 'democratic' reasons but more likely related to corporatism and capacity to make media-friendly noises, the Federal Police and the FPO were granted inordinate autonomy; the former through mismanagement, while the latter has become the fourth power in the Republic, separate from – and checking – the executive, the legislature and the judiciary.

The abundance of qualified job-seekers led to the colonisation of these well-paying jobs by upper-middle-class cadres. They were now in a constitutionally secure position and could chew the hand that had fed them, while loudly demanding, through the media, additional resources to maul the rest of the PT's body.

Corruption was the ideal pretext. Since it lost the first democratic presidential elections, in 1989, the PT moved steadily towards the political centre. In order to lure the upper-middle class and the internal bourgeoisie, the PT neutralised or expelled the party's left wing, disarmed the trade unions and social movements, signed up to the neoliberal economic policies pursued by the previous administration, and imposed a dour conformity that killed off any alternative leadership. Only Lula's sun can shine in the party; everything else was incinerated. This strategy was eventually successful and, in 2002, 'Little Lula Peace and Love' was elected president. (I kid you not, reader: this was one of his campaign slogans.)

For years the PT had thrived in opposition as the only honest politi-

cal party in Brazil. This strategy worked, but it contained a lethal contradiction: in order to win expensive elections, manage the executive and build a workable majority in Congress, the PT would have to get its hands dirty. There is no other way to 'do' politics in Brazilian 'democracy'.

We need only one more element and our mixture will be ready to combust. Petrobras is Brazil's largest corporation and one of the world's largest oil companies. The firm has considerable technical and economic capacity, and it was responsible for the discovery in 2006 of gigantic 'pre-salt' deep-sea oilfields hundreds of miles from the Brazilian coast. Dilma Rousseff, as Lula's Minister of Mines and Energy, was responsible for handling exploration contracts in these areas, including large privileges for Petrobras. The enabling legislation was vigorously opposed by PSDB, the media, the oil majors and the US government.

In 2014, Sergio Moro – a previously unknown judge in Curitiba, a southern state capital – started investigating a currency dealer involved in tax evasion. This case eventually spiralled into a deadly threat against Dilma Rousseff's government. Judge Moro is good-looking, well-educated, white and well-paid. He is also very close to the PSDB. His Operação Lava Jato (Operation Car Wash) unveiled an extraordinary tale of large-scale bribery, plunder of public assets, and funding for *all* major political parties, centred on the relationship between Petrobras and some of its main suppliers – precisely the stalwarts of the PT in the oil, shipbuilding and construction industries. It was the perfect combination at the right time.

Moro's cause was picked up by the media, and he obligingly steered it to inflict maximum damage on the PT, while shielding the other parties. Politicians connected to the PT and some of Brazil's wealthiest executives were summarily jailed and would remain locked up until they agreed a plea bargain implicating others. A new phase of Lava Jato would ensnare them, and so on. The operation

is now in its 26th phase; many have already collaborated, and those who refused to do so have received long prison sentences, to coerce them back into line while their appeals are pending.

The media turned Moro into a hero; he can do no wrong, and attempts to contest his sprawling powers are met with derision or worse. He is now the most powerful person in the Republic, above Rousseff, Lula, the speakers of the Chamber of Deputies and the Senate (both sinking in corruption and other scandals), and even the Supreme Court justices, who either have been silenced or are quietly supportive of Moro's crusade.

Petrobras has been paralysed by the scandal, bringing down the entire oil chain. Private investment has collapsed because of political uncertainty and the politically driven investment strike against Rousseff's government. Congress has turned against the government, and the judiciary is overwhelmingly hostile. After years of sniping, the media has been delighted to see Lula fall under the Lava Jato juggernaut, even if the allegations are often far-fetched: Does he actually own a beachside apartment that his family does not use? Is that small farm really his? Who paid for the lake and the mobile phone masts nearby, and how about those pedalos? No matter: in a display of bravado and power, Moro even detained Lula for questioning on 4 March 2016. He was taken to the Sao Paulo airport and would have been flown to Curitiba, but the judge's plan was halted by fear of the political fallout. Lula was questioned at the airport then released. He was livid.

In order to shore up her crumbling administration and protect Lula from prosecution, Dilma Rousseff appointed Lula her Chief of Staff (the president's Chief of Staff has ministerial status and can be prosecuted only by the Supreme Court). The right-wing conspiracy went into overdrive. Moro (illegally) released the (illegal) recording of a conversation between Rousseff and Lula pertaining to his investiture. Once suitably

misinterpreted, their dialogue was presented as 'proof' of a conspiracy to protect Lula from Moro's determination to jail him. Large right-wing, upper-middle-class masses poured into the streets, furiously, on 13 March 2016. Five days later, the left responded with not quite as large demonstrations of its own against the unfolding coup. In the meantime, Lula's appointment was suspended by a judicial measure, then restored, then suspended again. The case is now in the Supreme Court. At the moment, he is not a minister, and his head is poised above the block. Moro can arrest him at short notice.

Coup in progress

Why is this a coup? Because, despite aggressive scrutiny, no presidential crime warranting impeachment proceedings has emerged. Nevertheless, the political right has thrown the kitchen sink at Dilma Rousseff. They rejected the outcome of the 2014 elections and appealed against her alleged campaign finance violations, which would remove from power both Rousseff and Vice President Michel Temer, now the effective leader of the impeachment drive (and strangely enough, this case has been parked). The right simultaneously started impeachment procedures in Congress. The media has attacked the government viciously, neoliberal economists 'impartially' beg for a new administration 'to restore market confidence', and the right will resort to street violence as necessary. Finally, the judicial charade against the PT has broken all the rules of legality, yet it is cheered on by the media, the right and even the Supreme Court justices.

Yet ... the coup de grâce is taking a long time coming. In the olden days, the military would have already moved in. Today, the Brazilian military are defined more by their nationalism (a danger to the neoliberal onslaught) than by their right-wing faith, and, anyway, the Soviet Union is no more. Under neoliberalism, coups d'état must follow legal niceties, as

was shown in Honduras in 2009 and in Paraguay in 2012.

Brazil is likely to join their company, but not just now. Large sections of capital want to restore the hegemony of neoliberalism. Those who once supported the PT's national development strategy have fallen into line, the media is howling so loudly it has become impossible to think clearly, and most of the upper-middle class has descended into a fascist odium for the PT, the left, the poor and blacks. Their disorderly hatred has become so intense that even PSDB politicians are booed in anti-government demonstrations. But, despite the relentless attack, the left remains reasonably strong, as was demonstrated on 18 March 2016. The right and the elite are powerful and ruthless – but they are also afraid of the consequences of their own daring.

There is no simple resolution to the political, economic and social crises in Brazil. Dilma Rousseff has lost political support and the confidence of capital, and she is likely to be removed from office in the coming days. However, attempts to imprison Lula could have unpredictable implications, and even if Rousseff and Lula are struck off the political map, a renewed neoliberal hegemony cannot automatically restore political stability or economic growth nor secure the social prominence that the upper-middle class craves. Despite strong media support for the impending coup, the PT, other left parties and many radical social movements remain strong. Further escalation is inevitable. Watch this space. ♦

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Brazil's Bolsonaro and born-again anti-communism in Latin America

Jair Bolsonaro has risen to power by channelling against the Left the justifiable anger felt by the Brazilian people over the scale of corruption in their country. By pledging to 'cleanse' the nation of 'red outlaws', he is resurrecting the sort of caustic anti-communism that has been a central if not dominant conservative tradition in Latin American politics for over a century. *Pablo Vivanco* explains.



Then presidential candidate Jair Bolsonaro posing with soldiers in Sao Paulo. Bolsonaro's threats to jail or exile leftists would presumably extend to those in the Workers Party.

TWO decades after one paratrooper ushered in the 'pink tide' in Latin America, another may be the catalyst for a 'brown' one.

Riding a popular wave of discontent against neoliberal policies, Hugo Chavez was elected president of Venezuela in December 1998. Chavez's Bolivarian Revolution was the first in a wave of various left-oriented movements elected to government across the region, some of which aspired to implement '21st-century socialism'.

Powered by high commodity prices and policies that significantly increased public revenue, this pink tide was characterised by government social programmes and strategic investments that lifted tens of millions out of poverty and significantly decreased inequality across Latin America.

Twenty years on, that tide has shifted considerably. Following the recent election of right-wing candidates in Argentina, Chile and Colombia, disaffected Brazilians gave Jair Bolsonaro a considerable mandate to lead the largest country in the region.

The 63-year-old former military officer has spent much of his political career on the margins but rose to power by channelling a justifiable anger felt by many Brazilians over corruption in the country. Bolsonaro has stoked this frustration and directed it against the country's left, pledging to 'cleanse' the South American nation of 'red outlaws'. His threats to jail or exile leftists would presumably extend to those in the Workers Party, which remains the largest party in Brazil's legislature.

While Bolsonaro's positions are

reprehensible and troubling, the existence of this political animal should not be so surprising. The new Brazilian leader is resurrecting the sort of caustic anti-communism that has been a central if not dominant conservative tradition in Latin American politics for over a century. This political current also has a long and bloody track record of resorting to far-right violence against left-wing movements and leaders when the interests and position of the entrenched elite are threatened.

This dynamic isn't just replaying itself in Brazil, but is the basis of much of the ongoing political violence elsewhere in the region.

Violence and the status quo

Following the success of the independence movements in defeating the Spanish crown to create the first continent composed predominantly of republics, Latin America and the Caribbean has had a slow pace of development. The legacies of land, production and wealth concentration make it the most unequal region on the planet, while anaemic levels of national reinvestment have perpetuated reliance on agriculture and raw material exports.

This situation has not been accidental, however. Intransigence has been the hallmark of the region's ruling elite, especially large landowners and exporters. Even before the Cold War led to a more deliberate policy of 'containment' against left-wing movements, the elite – with the back-

ing of its US allies – responded to challenges from the popular classes against its hoarding of wealth and monopoly on political power with violence.

Attempts to modernise or develop countries, even within a capitalist framework, have often been interpreted by political and economic elites as a threat to their rule. From Ecuador's Eloy Alfaro to Colombia's Jorge Eliecer Gaitan, leaders pressing for investment in the country and its people were dealt with harshly.

State repression of strikes and demonstrations, from the 1907 Santa María School Massacre in Chile to the 1928 Banana Massacre in Colombia, served to radicalise and unify the left, leading to the formation of militant trade unions, socialist and communist parties and even guerilla movements. Waves of uprisings led to successful revolutions in Mexico (1910), Bolivia (1952), Cuba (1959) and Nicaragua (1979), as well as the election of left-wing and populist governments in virtually every other country in the region.

Each swell of a popular revolt against poverty and inequality in countries across the region was met with violence in the form of assassinations, massacres, military coups and even genocide. Like Somoza in Nicaragua and Pinochet in Chile, there are countless other people and groups who left their grisly mark on Latin American history, each with similar backgrounds, friends and enemies – the latter being the left. The power of these groups arguably reached its height during the 1970s and 1980s, when savage, US-backed regimes reigned over much of Central and South America.

Despite the end of the Cold War and return to civilian rule, the staunch anti-communist tradition remained present among Latin America's political right and is now resurgent.

Chile's current president Sebastian Pinera represents a coalition where the pro-Pinochet Independent Democratic Union is the largest bloc. Moreover, a far-right rival obtained close to 8% of the popular vote in the same election that brought Pinera

back to power.

Earlier this year, El Salvador's anti-communist Republic National Alliance became the largest party in the legislature.

And in Colombia, there is not only the electoral political phenomenon of Uribeism which retook the presidency, but also the right-wing paramilitary groups that have actively assassinated social movement leaders since a peace deal with the leftist FARC rebels was signed in 2016.

In Central America also, the violence and poverty that many are fleeing from are a direct consequence of far-right violence against the left, including the 2009 coup against Manuel Zelaya in Honduras. Zelaya's leftist LIBRE party is also widely regarded to have been cheated out of winning the 2017 elections.

The rebirth of the region's far-right has been facilitated by a number of factors, including corruption scandals as well as slumping economies following the crash of commodity prices. But a major component of the right's efforts has been the resurrection of the 'threat' of 'godless, baby-eating communism', this time in the form of Venezuela, as a mechanism to stoke fear in order to sway votes, or worse.

The spectre of Venezuelan 'communism'

The left-wing governments elected at the beginning of the 21st century inherited weak states and dependent economies, but were also entrusted by their electorates to address a historical, social debt. None were elected to implement a form of 'socialism', but there was a broad consensus against the neoliberal policies that wreaked havoc and exacerbated poverty during the 1980s and 1990s.

The funds required to fulfil the aims of reducing poverty and inequality were raised by states having greater stakes in their natural resources, as well as by improved collection of taxes. The high price of oil and other commodities meant public coffers could direct considerable amounts to public programmes and infrastruc-

ture.

Given the high rates of growth and impact on social development, the popularity of the governments implementing these policies remained high, and efforts by the elites and the private sector to mount resistance met with little success.

This model of '21st-century socialism', which left much of the means of production in private hands, fell into trouble in 2014 as the price of commodities, especially oil, plummeted. While almost all the economies of the region experienced a recession, none were as hard hit as Venezuela. The oil-dependent nation's economic crisis has since been compounded by an intensifying sanctions regime and internal political strife, leading to, among other things, a significant emigration of Venezuelan nationals to neighbouring Latin American countries.

Predictably, this crisis has been portrayed as a failure of socialism, in the same way as the corruption cases in Brazil were portrayed as a scandal of the left.

Just as the military regimes of yesteryear were buoyed by the spectre of communism, the far-right in Latin America have been pushing 'Venezuelisation' as an electoral strategy, with a considerable degree of success.

Gustavo Petro, who unsuccessfully challenged Ivan Duque in Colombia's elections, had to constantly deflect accusations about his relationship with Venezuela. In Chile, right-wing politicians promoted the notion 'Chilezuela' against centre-left candidate Alejandro Guillier.

In a cruel irony, the region's right wing have stoked xenophobia against Venezuelan migrants – whose exodus they had helped create by pushing for measures that have worsened the economic plight of the country – while also using them as political fodder against Caracas.

Bolsonaro, who has signalled a key shift back to pro-US trade and foreign policy, has already discussed Venezuela with US Secretary of State Mike Pompeo. Reports about a possible invasion from Brazil and Co-

lombia remain speculation, though considering his promise to use the military against domestic leftists, armed action against external ones may not be far off.

Bolsonaro has also committed to backing away from relationships built with other nations in the BRICS grouping, including China, which had committed hundreds of billions to infrastructure and resources in the South American country. Given that getting China out of Latin America is a key, publicised geostrategic goal of the US, it's no wonder that Bolsonaro's election was cheered on by US President Donald Trump and also caused Brazilian markets to rally.

Turning tide?

Political circles and pundits are busy analysing not only the demise of the 'progressive era', but also the dynamic that is emerging and what roles different strata will play in its development.

Politically, the liberal centre – if this in fact even existed – is disappearing, aiding the deterioration of the rule of law that is empowering the far-right. Nowhere is this more evident than in Brazil, where the likes of ex-president Fernando Henrique Cardoso were willing to tacitly back Bolsonaro, even though he said Cardoso should have been shot by the military. Those centrist politicians who rallied behind the witchhunt against former presidents Dilma



Sebastian Pinera celebrating his victory in the Chilean presidential election in December 2017. Pinera represents a coalition in which a pro-Pinochet party makes up the largest bloc.

Rousseff and Lula da Silva have also been conspicuously silent in the wake of the appointment of Judge Sergio Moro – who was responsible for jailing Lula – as Bolsonaro's justice minister.

Similar campaigns involving dubious corruption allegations against leftist politicians, leaders or even journalists are taking place in various countries across Latin America.

For its part, the 'middle class' that emerged out of '21st-century socialism' has played the role of its gravedigger in electoral terms. However, there is a lingering question about what position this section of the working class will take if the far-right resorts to violence. So far, its response to the present atmosphere of persecution has been ambivalent, perhaps

because of the lack of political education it received by the left in power.

Nonetheless, Bolsonaro's born-again, evangelical neo-fascism has also threatened culture and science, which points to looming confrontations with the intelligentsia, as has often been the case with the far-right in Latin America.

Perhaps one silver lining is that the Latin American left has never had the benefit of going too long without thinking about its arch-nemesis. In Brazil, the Landless Workers Movement (MST) and other veterans of the struggle against the dictatorship have vowed to resist and defeat Bolsonaro, in the same way that the junta was defeated.

But unlike many previous far-right regimes in the region, Bolsonaro was not imposed by military force against popular will, but rather by popular vote. The challenge of the left will be to win back their base, unless Bolsonaro and his ilk consolidate them under their fold first. This is what will determine the outcome of this unfolding era, and if Latin America will avoid receding into an abyss of violence. ♦

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Venezuelan migrants pass through Quito in Ecuador on their way to Peru. The Latin American right have stoked xenophobia against the migrants while also using them as political fodder against Caracas.

A dark hour in Brazil

Jair Bolsonaro has propelled anger and vitriol against the left, the poor and so-called identity politics to the surface of Brazilian society. After his win, what's next?

**Gianpaolo Baiocchi and
Marcelo K Silva**

BRAZILIANS woke up on the morning of 29 October to a nearly unrecognisable country in the aftermath of the most polarised election in generations. On one side, retired captain Jair Bolsonaro, a self-styled strongman and defender of torture from the far-right promising to rid the country of crime, leftism, political correctness and red tape. Powered by WhatsApp bots and fuelled by anti-Workers Party sentiment, his was no ordinary right-wing campaign: there were no televised debates, few rallies, and an almost-total absence of god-and-country swag like bumper stickers. On the other side was Fernando Haddad, university professor, former mayor of Sao Paulo and former minister of education. The son of Lebanese migrants and soft-spoken to a fault, Haddad, who had only been the official candidate for a month, headed a diverse pro-democracy coalition to try to stave off the country's descent into authoritarianism.

After a nearly-decisive victory on 7 October, in which the level of Bolsonaro's lead surprised most observers, the country headed to the run-off on 28 October. Bolsonaro won handily, earning 55% of valid votes to 45% for Haddad, who increased his support from just 28% in the first round. The hard-right wave that Bolsonaro led also brought dozens of anti-establishment far-right candidates to office throughout the country, upturning all expectations and rules of elections. His own party, the previously insignificant Social Liberal Party (PSL), which had just one member in Congress in 2010, now holds 52 elected seats in the Chamber of Deputies and four in the Senate, the second largest presence in parliament. Bolsonaro's son was elected to Congress in Sao



Beneficiaries of Brazil's Bolsa Familia cash transfer programme. Many of the social gains in Brazil over the last two decades, including Bolsa Familia, could be reversed or severely reduced under the Bolsonaro administration.

Paulo with the highest vote of any candidate in history. Other right-wing outsider candidates elected included a former porn actor, a member of the Brazilian royal family, a conservative newscaster, and 20 former military or police officers. And 18 of the 27 elected governors in this election are conservatives. Social media and coordinated fake news campaigns played an unprecedented role, while the centre-right essentially vanished as a potentially moderating electoral presence.

This was also a very disillusioned election: over 30% of voters either nullified their vote, voted blank or abstained, the highest figure since the transition to democracy. But most dramatic has been the way that the campaign has brought to the surface an angry vitriol against the left and activism, against the poor, and against so-called identity politics.

Bolsonaro himself, in the aftermath of the first-round election, announced that, once president, he was going to, once and for all, 'put an end to all activism in the country'. If people had been worried about his bom-

bast before, it was the escalating rhetoric and increasing acts of violence by Bolsonaro supporters in the days that followed that sent growing numbers into a panic about what the future might hold. The murder of 63-year-old capoeira teacher Moa do Katendê over his support of Haddad was one of a catalysing number of events. The simultaneous invasion by military and federal police of dozens of public universities on 25 October was another.

In the days before the run-off election, a broad yet uncoordinated effort against Bolsonaro ensued which was as desperate as it was restless. In many cases, these efforts were motivated less by an endorsement of Haddad than a fear of an eventual Bolsonaro presidency. Joining other groups that had long rejected Bolsonaro, like the #EleNão campaign, countless groups and individuals took to social media, to door-knocking and to street campaigning. These efforts came from the ranks of anarchists, socialists, communists, environmentalists, feminists, Black, Indigenous

and LGBT activists, trade unionists, artists, professional organisations, students, Christian progressives and many others. From Jews Against Bolsonaro to the Evangelical Front for the Rule of Law to the Landless Movement, there were last-ditch efforts throughout the country to try to stop the descent into authoritarianism.

In the end, though these efforts did have an impact on the polls, increasing Haddad's showing by 16% from the first round, it was too little too late. By early evening on election day, fireworks were being lit from the top of luxury high-rises in some of the country's wealthiest cities as the first results came in. By 7 pm, the contest was over, with Bolsonaro winning by a margin of more than 10 million votes. His first pronouncement was a speech that was broadcast on Facebook that returned to his familiar campaign themes of God and Country, the dangers of socialism and communism, the importance of a free market, and attacking the media. Shortly after, he gave a speech that was broadcast on all networks that was more conciliatory, saying he would respect the constitution as president.

It is hard to predict what will happen next in Brazil, but the scenario before us is extremely worrying. First, of course, is the immediate threat to human rights and lives. Bolsonaro supporters are fond of saying that it is important to separate his bombast from the actual policies his government will carry out. The problem with that line of argument is that if the weeks leading up to the election are any guide, the extreme-right campaign that he has led has actively inspired many acts of violence and intolerance. It is likely this wave will continue, but now with even greater impunity. Brazil already has only the thinnest protections of rights to begin with — it sadly suffers from alarmingly high homicide and police violence rates; and whatever protections vulnerable populations have had in Brazil will in all likelihood be undone.

And even if Bolsonaro himself does not have planned policy items

for some of his most outrageous statements — such as declaring leftist social movements terrorism, or decrying the existence of Indigenous territories — he comes into office with a large cohort of ultra-right and anti-establishment politicians who will be competing with each other to find ways to do so. One elected candidate, a former police officer from the southern state of Parana, became infamous for his action-movie-like campaign videos, while another, a woman police officer from Sao Paulo, frequently showed images of a police raid in which she killed an alleged robber.

It is also probable that many of the social gains of the last two decades — Bolsa Família, the cash transfer programme, affirmative action policies, and the expansion of access to education, construction of housing for the poor, improved access to basic healthcare — will likely be reversed or severely reduced under a Bolsonaro administration, which promises to cut social spending and all manner of 'pity policies' for 'northeasterners, gays, blacks, and women', severely reduce economic regulation and workers' rights, do away with several ministries and privatise state companies, all deemed 'unnecessary costs'. Bolsonaro's government programme reads like an upside-down catalogue of every successful major progressive policy in the country since the 1990s.

But perhaps the biggest change this victory signals is that it definitively reverses Brazil's process of democratisation that began in the 1980s as the country transitioned from a two-decade military dictatorship. Pro-democracy social movements played a central role both in bringing about the end of the regime and in the transition period. Since then, political contests had coalesced around centre-right and centre-left poles, led by the Brazilian Social Democratic Party (PSDB) and the Workers Party (PT), respectively. This political arrangement has essentially been destroyed in the political crisis that has engulfed the country since 2013 and that intensified with Dilma Rousseff's impeachment in

2016. Not only did institutions lose legitimacy, so did major political parties, paving the way for politicians like Bolsonaro.

But democratisation also meant addressing inclusion in this highly unequal country. For the last three decades, social and political forces had organised around a democratic-popular project centred around the PT, something that set them apart from earlier leftist visions in Latin America. The idea was to produce social transformations through democratic means, investing in democratic institutions while also maintaining extra-institutional pressure. Whether speaking of affirmative action in universities, domestic workers' rights, protection against domestic violence or educational programmes on homophobia in primary schools, the dozen years of PT national administration produced changes that, however small, touched many of Brazil's inequalities. Despite the fact that the PT advocated a 'third way' which was conciliatory and friendly towards capital, these policies provoked conservative backlashes that confronted not only leftist opponents, but democracy itself.

The end of democratisation in Brazil harkens back to prior moments in Brazil when social pressures that challenged inequality faced an authoritarian rupture. This is what happened in 1930, and then again in 1964. The first time, it took 16 years until the return of democracy; the second, 21. Now, as we face dark days ahead, with hobbled institutions, weakened political parties, and only the thinnest veneer of protections for the most vulnerable and for dissent, we must remember that Brazil's democracy, however imperfect, had accomplishments worth defending. ♦

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Inequality: A feature and driver of Bolsonaro's rise in Brazil

Bolsonaro, says *Luísa Abbott Galvão*, has capitalised on Brazil's deep economic and social inequality to push for an agenda that will undoubtedly drive even bigger rifts in Brazil's socio-economic fabric.

IN less than a week, Brazil will vote to elect its next president in what's widely considered the most consequential election in Brazil's history.

On one side is Fernando Haddad – a soft-spoken academic, former minister of education for the Workers Party (PT), and recent mayor of Sao Paulo most remembered for painting bike lanes across Brazil's economic capital. Haddad faces Jair Bolsonaro – a former military man and long-time member of Brazil's Chamber of Deputies representing Rio de Janeiro. Bolsonaro's extreme far-right overtures have earned him the distinction of being compared to Trump, Duterte and Hitler.

Brazil's democracy is younger than I am, and follows a brutal period of military dictatorship from 1964 to 1985. Tragically, this election process hasn't been a rigorous debate of ideas for the improvement of our country. Instead, it's testing the very fate of our democracy.

Bolsonaro, whose running mate is a retired army general, has built a campaign on his disdain for democracy and glorification of authoritarianism. He's gained infamy worldwide for past comments praising torturers and for asserting during a 1999 televised appearance that the Brazilian dictatorship should have executed 'at least 30,000' people. As a presidential candidate, Bolsonaro has called for political opponents to be shot, promised to deny the legitimacy of any election results that don't declare him the winner, and refused to partake in debates ahead of the general elections.

Bolsonaro took the lead in the first round of voting with 47% of valid votes. In the 10 days that followed, there were over 50 catalogued inci-



Bolsonaro supporters at a rally in Sao Paulo. Bolsonaro built a campaign around 'his disdain for democracy and glorification of authoritarianism'.

dents of physical attacks and threats carried out by Bolsonaro supporters in 18 states and the federal district, including the murder of a Bolsonaro critic by a supporter at a bar in the state of Bahia.

Given this backdrop of anti-democratic demagoguery, incitement of violence, and virulent bigotry, it might feel inappropriate to give Bolsonaro's candidacy the benefit of a judgement of merit. However, not only does the high possibility of a Bolsonaro presidency force us to contend with the implications of his policy proposals, it requires us to understand that neoliberalism isn't only a feature of his candidacy – it's the means by which his candidacy has been made viable.

The 1964 dictatorship in Brazil was installed by a military coup aimed at blocking the administration of a president who was seen at the time as too left-wing. The coup was supported by many well-to-do Brazilians at the time. 'And why not?' journalist Vincent Bevins asked recently in the *New York Review of Books*. 'If you were rich and stayed in line politically, things were never *that* bad – this

kind of nostalgia [is] often reproduced in media and historical memory.'

Recent surveys have found that 55% of Brazilians wouldn't mind a non-democratic form of government if it 'solved problems'. And Brazilians have legitimate problems, among which healthcare, citizen security, corruption, unemployment and education have ranked as highly important in recent polls.

Bolsonaro's campaign recipe has not only been to promote – through no shortage of lies and misinformation – shortcuts to democratic and civic processes. He's also aligned himself with corporate and financial interests, attracting support from moderates willing to overlook, understate and ultimately mask his fascist nature by leaning into his recently adopted free-market agenda.

While support for Bolsonaro was initially highest among rich white men and evangelical Christians, it's impossible to win the 49 million votes he received in the first round without support from a larger swathe of the population. Bolsonaro gained that support because this election has been driven to a significant degree by what

Brazilians are against rather than by what they are for.

'The core of Bolsonarism,' a *Jacobin* article says, 'is hatred of the organised working class, of trade unions, which today ... is incarnated in PT and, above all, in the image of Lula,' Brazil's former president, for whom Haddad is filling in as candidate. Lula, who is in jail on flimsy bribery charges, has not been allowed to run.

But why so much hatred for PT? The party was recently in power for over 13 years, or three and a half presidential terms, spanning the tenures of Lula and Dilma Rousseff. Lula's investment in social programmes during a time of booming economic expansion in Brazil has been credited with lifting 30 million Brazilians out of poverty, and for giving poor, Black and Brown, female and otherwise disadvantaged Brazilians unprecedented opportunity for advancement.

Tensions grew under Dilma's tenure over her mismanagement of the economy. Socioeconomic indicators began to reverse course as Brazil entered into one of the worst recessions of the last quarter-century. Coupled with her support for the massive anti-corruption investigation taking place, which implicated a large proportion of the sitting members of Congress, political opponents saw her as a problem to resolve quickly. They conspired to successfully impeach her from office in a process that's been described by many as a 'soft' coup d'état.

Dilma was succeeded by a coalition-government member from a centrist party, then-Vice President Michel Temer, who has spent the last two years overseeing the implementation of severe austerity measures and other reforms that have especially hurt the poor and the previously growing middle class.

This election is marked with widespread and deep resentment for the PT's handling of the economy. But the PT is also unreasonably singled out for its role in corruption. Haddad recently recognised PT's errors on the economy and their role in corruption in a public mea culpa, promising re-

form if elected. But the selective scapegoating of PT when it comes to corruption is unfair for several reasons.

First of all, it was during a PT administration that the largest corruption investigation in the country's history was enabled. The singular focus on the PT is also incongruent with Brazilians' perception of corruption generally, and fails to consider the ubiquity of corruption across political parties in our government.

Over 83% of Brazilians believe that more than half of all politicians are corrupt. And their perceptions aren't totally off: more than half of Brazilian senators and one-third of the members of Brazil's lower chamber of Congress face criminal accusations. Bolsonaro has taken advantage of this anti-PT, anti-left, anti-government, anti-corruption sentiment by touting extra-democratic governance and adopting a neoliberal agenda.

But history always offers a well of insights. 'It's really strange that so many people now believe that the military regime somehow delivered safety to Brazilians or managed the economy well, since, by the end of the 1970s, they were very often seen as corrupt and incompetent, and crime statistics were worsening due to the government's own policies,' historian Marcos Napolitano told the *New York Review of Books*.

Napolitano's research, Bevins writes, 'has shown that by encouraging mass migration into urban slums with no public services, and allowing a militarised police to routinely use extra-judicial killings to control marginalised populations, the dictatorship actually set the country on the path toward its current widespread violence'.

Widespread violence and public security have been a leading concern for Brazilians for many years, and a key invocation in Bolsonaro's campaign. Brazil, already claiming the position of world leader in homicides, set a new record by registering nearly 64,000 homicides over the last year. Most victims were young Black men from poor urban areas.

'We have two persistent phenom-

ena: violence against women and criminal gangs dealing in drugs and arms,' said Renato Sérgio de Lima, director of the Brazilian Public Security Forum. This violence is largely linked to poverty and inequality – including the criminalisation of poverty in Brazil. Dealing with it requires a comprehensive intervention that starts with significant investment in and economic inclusion of marginalised communities.

Bolsonaro's remedy? Ease gun laws for citizens, give policemen carte blanche to kill, build more prisons, and expand military-controlled schools.

In contrast to the nationalistic economic tendencies gleaned from his 27-year Congressional voting record, Bolsonaro has chosen Paulo Guedes, a 'Chicago Boy' neoliberal economist, as his main economic adviser. Guedes's policy recommendations include privatising almost all state-run companies, opening up the Amazon to foreign development, and further cutting social spending.

Guedes is currently under investigation for possible securities fraud, but the irony is clearly lost on Bolsonaro supporters. Bolsonaro's economic promises, many of them documented on Instagram, include across-the-board deregulation, a refusal to tax the wealthy and their inheritances, a commitment to cutting taxes overall, and a reduction to Bolsa Família, a successful conditional cash transfer programme, under the guise of fighting fraud in the system.

Bolsonaro has capitalised on Brazil's deep economic and social inequality to push for an agenda that will undoubtedly drive even bigger rifts into the Brazilian socioeconomic fabric and further disenfranchise the country's most vulnerable people. We must fight to defend our democracy and human rights. But we should not lose sight of the importance of fighting the corporate and financial powers that are not only extractive in their own right but also being used as vehicles for authoritarianism. ♦

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‘Americans should know their government had a hand in the return to fascism’

The following is the transcript of an interview on Brazil's recent election with *Brian Mier*, an editor at *Brasil Wire* as well as a freelance writer and producer. He also edited the book *Voices of the Brazilian Left*. Mier spoke from São Paulo on 30 November with *Janine Jackson* on *CounterSpin*, a weekly radio programme produced by US media watch group FAIR.

JANINE Jackson: When twice-elected Brazilian President Dilma Rousseff was being pushed out, in what many called a legislative coup, US readers weren't reading quotes from the Organisation of American States, for example, that was saying that this was not kosher, nor were they hearing about the objections of neighbouring countries, some of whom pulled their ambassadors in protest, except perhaps via headlines like *USA Today's* 'Leftist Leaders Leap to Defense of Ousted Brazilian President.'

So US readers were set up kind of weirdly for this election. Corruption was associated, if vaguely, with Dilma. And then, when her successor, Michel Temer, was clearly embroiled in stuff, Brazil was dismissed, as *The New York Times* put it, as just a 'turmoil-prone nation'.

So then with the election itself, I mean, we heard about it, but the big-picture problems with it, like the leading candidate being in jail, were treated as externalities. What do you think that US listeners should know about the Brazilian election? What complicates the idea that [victorious presidential candidate Jair] Bolsonaro is a simple expression of what Brazilians want?

Brian Mier: I guess the main point is that the leading candidate [former president Lula da Silva from the Workers Party (PT)] was arrested as part of a US cooperative anti-corruption investigation between the US Department of Justice and the Bra-



Then presidential candidate Lula da Silva surrounded by supporters on 7 April before he was taken into police custody later that day. Lula was arrested as part of a cooperative US/Brazilian anti-corruption investigation.

zilian public prosecutor's office.

Now, he was arrested with no material evidence, and the main beneficiaries of the fact that he and the PT party were removed from the race this year are American corporations. And so I think that Americans should know that their government, their corporations, had a hand in what's happening down here, and had a hand in the return to fascism.

And I guess the second point is just that Bolsonaro is not the Brazilian Trump. He shouldn't be normalised. Some Americans might think, 'Well, Trump's terrible but, you know, the United States hasn't crashed and burned since he took office. So Bolsonaro coming to office in Brazil probably won't be that big of a deal either.'

But it's not the case. He's not a Brazilian Trump; he's a fascist. You know, Trump may say some things

that are fascist, but Jair Bolsonaro is literally a former official from a neo-fascist military government, that ruled as a state of exception. They used to, for example, categorise all people as 'workers' or 'bums', so if you were walking down the street, unable to prove to a policeman that you had a job, through showing documentation proving that, you would get arrested during the dictatorship. That's not something that's happening under Trump. Brazil under Bolsonaro won't be like the US under Trump. It will be more repressive.

JJ: Just want to ask you one other question about Lula, because I think people had heard that Lula da Silva was in jail, but I think they might not understand how that happened. And, for example ... *The Washington Post* said that Lula's 'reelection bid was upended when he landed in jail this year on cor-

ruption charges.’ There are very particular factors about Lula not just being in jail, but not being able to run from jail.

BM: Oh yes, exactly. The coverage has been really misleading. It’s unfortunate. What especially bothers me is the way it’s misleading in publications that have progressive readers. I mean, I can understand Fox News or something giving misleading, slanted coverage against Lula, because he’s a leftist. But it’s very frustrating to see *The Washington Post*, *The New York Times*, NPR, run this innuendo and these semi-truths and mistruths about why Lula was arrested.

The fact is that he was convicted of committing undetermined acts. The judge, Sergio Moro, who is the leader of this US Department of Justice/ Brazilian public prosecutors joint operation called Operation Car Wash, was allowed to rule on his own investigation, with no jury, an eccentric Brazilian legal tradition which goes back to the Inquisition; his literal title is that of inquisitor. He set up the investigation, and he was allowed to judge on his own multi-year investigation.

OK, and the ruling was that they could not define any specific act of corruption that Lula committed. First they accused him of being involved in Petrobras, petroleum company, corruption; that charge was removed from the court case two years ago. The day Lula was arrested, *The Guardian* said that his arrest was connected to Petrobras corruption, which is erroneous; it was not. In fact, the judge said specifically that there was no Petrobras connection in the ruling.

His corruption charges were connected to supposed illegal reforms in a beachfront apartment. The courts were unable to prove that Lula ever owned the apartment. The apartment is registered in the name of the building company that built the building. They’re unable to prove that he ever visited the apartment, and they were unable to prove that any reforms actually took place.

Nevertheless, even if he had received a free apartment and gotten

these reforms that clearly didn’t happen, because they’ve taken pictures inside the apartment, it’s a mess – even if that had happened – the date that they alleged this all took place was after he left office. So there was no way of proving quid quo pro.

Furthermore, the case is handled in Curitiba, Paraná, a neighbouring state, in a local court which has no jurisdiction in the town where the apartment exists.

So it’s just full of improprieties. And I feel like what you see these days with a lot of journalism is, it’s almost just like PR that they repeat, in a lot of papers, when they talk about foreign news. I didn’t see any journalists for a major American newspaper do any kind of investigative work on this, weighing the merits of the case against Lula or not. They just kept repeating what the prosecution was saying the whole time.

And the ironic thing is, it’s not even the first time that a former Brazilian president has had his life destroyed over phony allegations involving reforms on an apartment. Because when the military dictatorship took office in 1964, the media spent a year and a half accusing former president Juscelino Kubitschek, who was still very popular at the time, of having received illegal reforms on a luxury apartment in Ipanema. And after a year and a half, it came out that he was never the owner of the apartment. So they didn’t even invent an original way to arrest Lula.

JJ: And you’re right, of course, that in US reporting on the election, that was – to say ‘underexplored’ is to say too little. We saw phrases like, in that *Washington Post* story, ‘Lula landed in jail...’, and there was definitely an assumption that he deserved to be there, and that should not be factored in when we were thinking about what would happen with the election.

Another thing that I was surprised by was in a *Washington Post* news story; it was really focused about Bolsonaro’s social media-centred campaign: ‘He overcame challenges with the power of social

media, speaking directly to voters.’ We were told that ‘backers became voracious consumers of his missives on Twitter and WhatsApp,’ where, we’re told, ‘white men and wealthy voters, eager to turn the page after a decade of left-wing rule, rallied to Bolsonaro’s side.’

This *Washington Post* piece had space for how Bolsonaro grew up a ‘nerdy kid’ in a German-Italian family. But they didn’t have any mention of the slush fund which other accounts have led me to understand was reportedly used to fund this social media campaign that the *Post* is profiling, and that was also super-hateful, was it was it not?

BM: Oh, yeah. OK, first of all, from the starting point, that when Lula was removed from the presidential race, illegally, against the orders of the UN Human Rights Committee, which are legally binding in Brazil, because Brazil signed the second optional protocol on political and civil rights at the UN – when Lula was pulled out of the race, he’d been behind bars for two and a half months, in solitary confinement, prohibited from speaking to the press, and he still was polling higher than every other candidate combined in the polls. He had more than double the support of Bolsonaro when he was removed from the race, a month before the election.

OK, so then you look at what Bolsonaro did. Steve Bannon apparently was helping a little bit with this. They set up an illegal campaign slush fund that had over four times the monetary value in it as Bolsonaro’s entire official campaign fund. And they used it to illegally obtain personal data on targeted segments of WhatsApp users.

Brazil is the biggest consumer of this WhatsApp social media app in the world. Over half of all Brazilians use it. And so they created thousands and thousands of WhatsApp groups, of 256 people each, specifically targeted to certain demographics, like Evangelical Christian women, for example, and they just bombarded them with slander and hate speech.

OK. So for example, there's a poll that came out that said 84% of the people who voted for Bolsonaro believe that when the PT party was in power, they created a 'gay kit' and distributed it in the public school system, to try to convince children to become homosexuals. Eighty-four percent ... They were spreading information that Fernando Haddad, who was Lula's replacement candidate, was a child molester. They said that if Haddad was elected, the government was going to create a kind of panel that would declare whether children were gay or not at the age of five. And they bombarded Evangelical Christians with this.

And so the main reason that Bolsonaro was elected was because 84% of his voters thought that Fernando Haddad's government would try to make their children gay; because their brains are just fried by this illegal use of social media apps. Just like in the US, you have all these Americans now who think the Earth is flat, you know, it's like this kind of thing.

So it's hardly, as they are saying in the media, 'Oh, Brazilians are worried about violence, they're worried about corruption.' That wasn't it. It was straight-up homophobia, was the main social media factor in getting Bolsonaro elected.

Another thing they did was, I don't know if you saw these #NotHim protests [against Bolsonaro] that happened all over the world, right? On the day of those protests, Bolsonaro's people took these photos from SlutWalk protests that happened a year earlier of – you know how SlutWalk is, topless women, women in lingerie and stuff like that – and they bombarded millions of Brazilians with images from SlutWalk, saying that they were live photos taken of the #NotHim protests.

And so immediately after this, after the #NotHim protests – which were huge protests, also underreported in the media; there were at least a million people on the streets of Brazil, 150,000 in São Paulo alone, and American newspapers were saying tens of thousands of people nationwide, right? Huge protests. After they

ended, Bolsonaro gained 5 percentage points in the polls with women, because they bombarded Evangelical Christian women with these SlutWalk photos.

JJ: So there's a lot missing from US media coverage of the election itself. But then, what was in it was, in some cases, just ... 'craven' is the word that comes to mind. We talked a couple of weeks back on the show about US financial media, the business pages. The New York Times had a story in the business section, 'Brazil's Markets Have Surged on Hope of Bolsonaro Victory. Can He Deliver?' And the concern in that Times story was that Bolsonaro might not actually follow through on his plans to cut pensions and to cut social security. Though they said 'markets are optimistic'.

There's at least a kind of frankness in that business reporting, that straight-up says, we don't care about fascism as long as the bottom line is happy. But straight news pieces tend to take that investor point of view, but then try to retrofit some kind of democratic principle in there. And so you certainly wouldn't get a sense of US involvement, US meddling in Brazilian politics, which you're talking about this time around; it's certainly not the first time, in terms of US meddling there.

BM: Yeah, of course not. In fact, let's be frank: There aren't really any countries in Latin America that the US doesn't meddle in.

JJ: Right, right.

BM: There was a *Harvard Review* article published in the '90s which counted 44 US-backed coups in Latin America between 1898 and 1994. And so we're in a situation where the US was involved in the 1964 coup in Brazil and actively supported the dictatorship, which lasts until 1985. Bolsonaro was a member of that government, and he's appointing three former generals who were also active during the dictatorship to cabinet positions.

I mean, that alone shows there's, at the very least, a hangover of US meddling in this current situation, not

even taking into account the joint Department of Justice/SEC/Brazilian public prosecutors operation, Operation Car Wash, which the US Department of Justice and SEC [Securities and Exchange Commission] have collected over \$1 billion in fines from Brazilian companies, so far, through this investigation.

And at the Atlantic Council last year, Kenneth Blanco, who is acting assistant attorney general, gave a speech in which he talked about illegal collaboration that was going on between the Department of Justice and Sergio Moro, who was the Operation Car Wash director, and his team. He didn't use the word 'illegal', but he said there was constant 'informal' communication, which made the processes more 'agile'. And he bragged about them arresting Lula in this speech. You can watch it online.

The problem is, informal communication with foreign government officials is a crime in Brazil. So Lula's defence lawyers used that to file a motion for dismissing the entire case, which was far down in the courts now. But they're openly admitting that they've engaged in illegal communications with the Brazilian government in this case. It's not even a case of speculating that the US is involved in it.

Operation Car Wash was used to destabilise Dilma Rousseff's government before the 2016 coup. They couldn't find any crimes to connect her with on it. So she was impeached on a budgetary infraction that was legalised by the senate one week after she left office, called 'fiscal peddling'. But her name was certainly dragged through the mud in the American media related to this Operation Car Wash. The week before the 2014 presidential elections, *The New York Times* associated her with Petrobras petroleum corruption, which was under investigation, Operation Car Wash, eight different times.

So this American/Brazilian joint operation was a key factor in taking Dilma Rousseff out of office, and arresting Lula and removing him from the elections. And now the man in charge of it, Sergio Moro, who was

hailed as an anti-corruption crusader in the American media for two years, has accepted the Justice Minister position in Bolsonaro's neo-fascist government. So he's been a political actor all along. It's outrageous that the man who removed the leading candidate from the elections is now taking a cabinet position with the candidate who he helped.

JJ: It does boggle, and on the point of US intervention, which, you know, the US corporate media's history of looking the other way on that, of course, is clear. But there also is concern, therefore, about the regional and international impact of Bolsonaro coming to power, because some people were looking to South America as maybe offering a kind of alternative, as maybe building power that could serve as a counter in the hemisphere to the United States. But now it looks like Bolsonaro maybe is going to be pulling out of things like BRICS [the grouping comprised of Brazil, Russia, India, China and South Africa], for example.

BM: Definitely, no, he's really bungling things up, in terms of Brazil's role on the world stage. Lula, in addition to lifting 40 million people above the poverty line, which is no small feat in a country like Brazil, and ending the hunger crisis, what he did was, on the foreign policy level, he really reached out to other countries around the world to build some kind of alternative to just relying on the US. Now during the Cold War, when the dictatorship was in power, Brazil was heavily dependent on the US for everything; but the world's changed, and the US isn't even Brazil's largest trade partner anymore.

Bolsonaro got in trouble mimicking some of Trump's ridiculous rhetoric against the Chinese. And China just stepped in and said, 'Look, we'll pull out if you guys start bad-mouthing us. We just want to remind you that we're your largest trade partner.'

You know, you can only get so far copying Trump on the foreign policy level and thinking you're going to depend entirely on the US. The world's changed since the 1980s,

when he was a military dictatorship official.

JJ: You and others, like Glenn Greenwald, have underscored that Bolsonaro is not the Brazilian Trump; that you have to pay attention to the differences there. But in a sense, like Donald Trump, Bolsonaro did go from punchline to president, including with TV hosts now saying they were sorry they had him on back in the day. One said she only had him on so often because she was trying to make fun of him and show the low level of representatives we are electing, you know.

I'm guessing that it was these voids that we're talking about in the media conversation, not just about Bolsonaro, but about the various elements of Brazilian politics, that's part of what encouraged you to work on this book, *Voices of the Brazilian Left*. Can you tell us, finally, a little bit about that? And what work you hope that book can do?

BM: OK. Well, this actually kind of responded to what I feel were big holes in the progressive media coverage of Brazil. Because there's this kind of false narrative that started when Lula was still president, often focused on, you know, the World Cup and the Olympics and some problems that were related to those issues, and it's issues that I was very involved with. I wrote a book in Portuguese about the Olympics and human rights abuses and stuff.

But they were used to develop this narrative that Lula was kind of like a Tony Blair of Brazil. That he was someone who used to be a leftist, and when he took power, he became a neoliberal and turned his back on the labour unions and the social movements, and that this is why people were getting upset with his government, and blah blah blah. And the one thing these people had in common – and I'm talking about publications like even *The Nation* and NACLA, which I write for sometimes, and *Jacobin*, publishing this kind of stuff that didn't really explain what was going on, right? And the one thing

they all have in common is, no one was ever talking to anyone from social movements or labour unions.

And so what I came up with was this idea of *Voices of the Brazilian Left*, to interview key people from the unions and the social movements about what's happening in Brazil during the lead-up and aftermath of the 2016 coup. Of course, everyone in the MST [Landless Workers Movement], the CUT labour union federation, the urban social movements, everyone was critical of the PT and Lula, but they didn't abandon them. They said, 'Look, this is the best we could do at the time.'

People don't realise that, for example, during 13 years of PT government rule, they never had more than 22% representation in Congress. And so they could only get things passed by going into coalition.

The problem with this narrative, that Lula and the PT were neoliberal, is that it gives this misconception in the mind of the casual reader that neoliberalism caused 40 million people to move out of poverty; and that's never happened anywhere in the world. The main reason that poverty dropped in Brazil was because of over 100% minimum wage hikes, adjusted for inflation. In dollar terms, when Lula took office, the minimum salary was, like, \$50 a month; when he left office, it was over \$300 a month. That's why 40 million people rose above the poverty line, and that's not neoliberal at all. One of the key tenets of neoliberalism is minimum wage suppression, right?

So it's a long answer probably, but I decided that since no one in the North was interviewing these people, someone should. And that's why I decided to do this book, you know? Because there's a lot of nuance. Yeah, I mean, Lula and Dilma were not radical leftists, but it really does a disservice to the labour unions and the social movements who support the PT party, to say that they're just straight-up neoliberals.

JJ: And it does a disservice to anyone's understanding, in general, of Brazilian politics. You won't understand what happens next if you imagine that people are responding to something that's different than what they are in fact responding to.

BM: Yeah. Exactly. ◆

AMLO's victory in Mexico: Swimming against the tide?

The thumping victory of Andrés Manuel López Obrador in the Mexican presidential elections appears to belie claims that the Latin American pink tide is receding. But regardless, his victory is truly historic. He has however, as *Kurt Hackbarth* explains in the following analysis, a formidable task ahead of him.

ON 1 December, five months to the day after his thumping electoral victory, Andrés Manuel López Obrador (AMLO, as he is known for short) took the oath of office at the San Lázaro Legislative Palace in Mexico City to become the president of Mexico for a six-year term.

His ascent to power is historic by any measure: at a time when the Latin American pink tide is receding vertiginously from the historical shore, AMLO led his fledgling party Morena – founded only in 2014 – to a crushing landslide, defeating his closest rival by some 30 percentage points. In contrast to his previous presidential bids, where his support was concentrated in the centre and south, AMLO swept 31 of Mexico's 32 states, including the entire border area and even the industrial centre of Nuevo León. In Congress, Morena holds an absolute majority in the lower House of Deputies and, together with its coalition partners, a comfortable margin in the Senate as well.

From a historical perspective, AMLO's electoral achievement stands out as even more remarkable. After 71 years of the post-revolution 'perfect dictatorship' of the Institutional Revolutionary Party (PRI), the failed democratic transition of 2000, and the *docena trágica* (tragic dozen) years of rule by the conservative National Action Party followed by a one-term return to the PRI, the 2018 Morena landslide marks the first time a progressive party has won the presidency in modern political history, the first time it has won Congress – and, needless to say, the first time it has done both together. In a system where a disproportionate amount of power remains concentrated in the presiden-



Mexican President Andrés Manuel López Obrador waves after his swearing-in ceremony on 1 December.

cy, AMLO's triumph would appear, at first glance, to be total.

Playing a bad hand

AMLO, however, will need every inch of advantage to play the supremely difficult hand he has been dealt. Mexico's economy is currently growing by just over 2%, while inflation is running at double that. The peso has shed half of its value against the dollar under the outgoing administration of Enrique Peña Nieto, falling from under 13 to over 20. Public indebtedness is set to crack the 10-trillion-peso mark, rising 12% in the Peña Nieto years in relation to gross domestic product (GDP).

The state-owned oil company PEMEX, motor of the 20th-century Mexican welfare state, has been privatised, allowing familiar names such as Shell, Repsol and Chevron to scoop up contracts for deep-sea oil exploration. Inequality is rampant, with a handful of super-wealthy – many of whom, such as telecommunications magnate Carlos Slim, owe

their fortunes to the transfer of public entities into private hands – coexisting with a mass of 61 million poor making a hardscrabble living in Mexico's post-NAFTA agricultural ghost towns or clustered in shacks on the hillsides around its major cities. The nation is more dependent than ever on the importation of basic foodstuffs such as rice and corn as well as gasoline, maintaining only five days' worth of reserves if the United States were to choose to turn off the taps. Corruption, already endemic, hit a peak under the kleptocratic administration of Peña Nieto, with up to 10% of GDP being frittered away.

But over and above the dreary economic numbers – ongoing testament to the generational failure of the neoliberal policies applied without let-up since the peso crisis of 1982 – is the violence that has rent the nation's social fabric asunder. Ever since the 'war on drugs' launched in 2006 by Felipe Calderón to secure his hold on a presidency he did not rightfully win, some 267,000 Mexicans have been killed: 120,935 under Calderón



Soldiers on patrol in the state of Michoacan in 2006, the year Mexico first deployed the military to fight drug cartels. The military has become the nation's de facto police force in large swathes of the country since the beginning of the 'war on drugs'.

and 146,194 under Peña Nieto, who continued his predecessor's militarisation policies with even bloodier results. (To make matters all the more lurid, on 13 November the Mexican public was treated to the allegations of Joaquín El Chapo Guzmán, former leader of the Sinaloa Cartel. On trial in New York, the defendant claimed through his lawyer that the cartel had paid millions of dollars over the years in protection bribes to both Calderón and Peña Nieto.)

While doing nothing to stop the flow of drugs into the United States or the assassinations of journalists (14 in 2017, the deadliest country for journalists in the world) and women (671 femicides in 2017, nearly two a day), the presence of soldiers in the streets has been much more effective at suppressing social movements and creating the conditions for transnational mining companies to take possession of the exceedingly generous concessions offered by Mexican law. In a grim repeat of colonial times, but exponentially greater in volume, Mexico is being stripped of its natural resources for elite and foreign gain.

And then there are the migrants: some 9,000 Hondurans encamped in Tijuana with more on the way, a humanitarian crisis that has led the city's mayor to seek the assistance of the United Nations. With a belligerent Donald Trump determined to make jingoistic hay out of his threats to close the US-Mexico border, the fate of the migrants is set to become the

first major test for AMLO. Since September, his administration-in-waiting has been trying to alter the paradigm by persuading the US to sign on to a 'Marshall Plan' for southern Mexico and Central America – a decidedly tough sell and one that, moreover, risks turning the combative rainforest regions of the southeast, where anti-capitalist opposition to the extraction-based economics of both the parliamentary right and left is concentrated, into a free-trade free-for-all of exploitation and environmental depoliation.

The long transition

Mexico's five-month transition period leaves the country in a state of extended, lame-duck limbo, giving outgoing administrations ample time to clear the decks of incriminating evidence and placing incoming governments at risk of seeing their momentum dissipate. In the last two presidential cycles, the transition periods were consumed by allegations of electoral fraud and their attendant legal and political battles.

In 2018, AMLO sought to seize the initiative with a flurry of press conferences, appointments and policy proposals. To a large degree, it worked: with a clear mandate and in light of Peña Nieto's dire approval ratings (the worst in recorded history for a Mexican president), the president-elect's comings and goings overshadowed those of the incumbent to

an extent never seen before.

Without a doubt, the largest popular victory of the transition was the cancellation of the proposed new airport for Mexico City. The massive \$13 billion boondoggle – not set to be fully complete until the 2060s – was set to be plopped onto the bed of Lake Texcoco, a refuge for some 150 species of migrant birds and one of the last remaining aquifers in a city with problems serious enough to land it on the top 10 list of 'Water Day Zero' cities.

After opposing the project during the campaign, AMLO announced shortly after the election that a public consultation would be held to decide its fate. Although the non-legally sanctioned referendum – organised by Morena and with an insufficient coverage of polling places across the country – was hard to defend in technical terms, over a million people participated in the exercise, 70% of whom endorsed the alternative plan of converting an existing military airport to civilian use. Although elements of the media, not for the last time, warned of imminent devaluations and stock-market losses, AMLO calmly announced two days later that he had come to an agreement with the investors involved regarding the shifting of their contracts to the new project.

Meanwhile, the Morena majority in Congress, seated in September, was beginning to make its muscle felt. First up was a Law of Maximum Salaries, quickly passed, which lowers the lavish salaries of the top federal bureaucracy and eliminates the equally generous pensions of ex-presidents, a key AMLO campaign pledge. Next up – and currently at different stages of the legislative pipeline – are: a government austerity bill designed to reduce the perks and benefits of public servants; a public-communications bill to regulate public spending on publicity, which has historically acted as a coercive mechanism for governments to ensure favourable press coverage (the Peña Nieto administration spent the equivalent of over \$2 billion promoting itself over its six-year term, not to mention spending

by the legislative and judicial branches and state governors); a mining bill requiring companies to consult with local populations who would be affected by their activities and enabling the government to cancel concessions in sensitive areas; a banking bill to regulate the extortionate commissions Mexico's mostly foreign-owned banks inflict on their clients; and a bill to legalise and regulate the growth, sale and use of marijuana, which would make Mexico the first Latin American country besides Uruguay to take this step.

What remains off-limits

Positive as these measures are, and with the caveat of seeing which ultimately pass (there has been intra-party pushback on the mining bill, for example, and AMLO is opposed to anything that ruffles the hair of the banking sector), major areas exist where Morena fears to tread.

First of all, there is the North American Free Trade Agreement (NAFTA), soon to be rechristened the United States-Mexico-Canada Agreement (USMCA). After years of strong opposition, AMLO came around to supporting the agreement during the 2018 campaign, with his team assisting the Peña Nieto government in the recently concluded negotiations. Although the revised version contains minor improvements to labour and environmental rights and nods at raising wages, it is still, fundamentally, the exact same agreement that has hollowed out Mexico's manufacturing and agricultural sectors, deepening dependence and turning the nation into a precarious assembly economy for transnational factories benefiting from border-area tax havens (indeed, AMLO's new chief of staff, Alfonso Romo, has spoken enthusiastically about extending these 'special economic zones' throughout the south and southeast). And although AMLO's team has bragged about ensuring that the independence of Mexico's energy sector was expressly spelled out in the agreement, the key Chapter 11 provision allowing companies to challenge the government through a corporate-friendly investor-state dispute settlement (ISDS) sys-

tem if it makes any attempt at renationalisation remains very much in force.

Which brings us to the matter of energy. When Peña Nieto privatised PEMEX in 2013, AMLO, who had beaten back a similar attempt made by Calderón in 2008 through a series of public mobilisations, did not hesitate in labelling it the 'theft of the century'. But by 2018, all he would promise to do was 'review the contracts' issued under the new law to ascertain if there had been corruption or malfeasance in their drafting. And in August, he revealed that he would not only respect existing tenders but continue to offer more in order to boost production. The strategy, presumably, is to generate the resources necessary to initiate the slow process of recovering energy autonomy by building a new refinery and investing in infrastructure that was deliberately neglected by previous administrations. But that does not make it any less of a deal with the devil.

Finally, there is the role of the military which, in open violation of the Constitution, has become the nation's de facto police force in large swathes of the country since the beginning of the 'war on drugs'. In the 2012 campaign, and as recently as 2017, AMLO promised to return the armed forces to their garrisons if elected, attending, instead, to the underlying social and economic causes of the violence.

On 15 November, the Supreme Court's near-unanimous ruling overturning Peña Nieto's Internal Security Law – which purported to legalise the military's role in policing – offered AMLO a golden opportunity to put this into practice. Instead, he proposed going one further by amending the Constitution to allow for the creation of a National Guard, which would bring military police from all branches together with federal police under one unified command. The proposal is to be submitted to a – this time, formal – public consultation in 2019, together with a question as to whether or not to prosecute former presidents for corruption, another area in which AMLO has been decidedly lukewarm.

From a historical perspective, none of this is particularly surprising.

When NAFTA was being debated in the early 1990s, a more or less explicit goal of the agreement was to lock in unfettered access to Mexico's economy in a way no future progressive government would be able to reverse. Twenty-five years later, we have the spectacle of AMLO praising Donald Trump for his 'visionary and tolerant' attitude towards renegotiations.

As in the economy, so in security: once the genie of government-sanctioned violence has been let out of the bottle, it is exceedingly difficult to get it back in. Hence the prospect of a progressive government set to elevate to a constitutional level the militarisation of the nation's police force. Even if AMLO himself – as he promised in a September speech at the site of the 1968 Tlaltelolco student massacre – does not use the military to repress the people, a future president of a Bolsonaro persuasion would find no legal impediments in so doing.

It does not require an excessive degree of cynicism to come to the conclusion that, by blocking AMLO presidencies in 2006 and 2012 and postponing his victory a full 12 years to 2018, the Mexican elite managed to add both the privatisation of energy and the permanent presence of the military to the list of items considered irreversible. Globalisation, at the butt of a gun.

AMLO will hit the ground running with a decalogue of priority proposals, including a national old-age pension, a scholarship/apprentice programme for youth, an extension of medical care to those currently without coverage, maintenance allowances for persons with disabilities, reforestation, and free Internet in public places. These, together with the proposals emanating from Morena in Congress, represent a welcome set of proposals to be fought for and defended. But if the Mexican left allows itself to be boxed in by what is considered to be untouchable, in the long run, it is destined to lose the battle. ♦

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The new global tinderbox

Three big powers – the US, China and Russia – are now engaged in an arms race while jostling for power and influence around the globe. *Michael T Klare* contends that this is not some mildly updated version of last century's Cold War but a new and potentially more dangerous global predicament.

WHEN it comes to relations between Donald Trump's America, Vladimir Putin's Russia and Xi Jinping's China, observers everywhere are starting to talk about a return to an all-too-familiar past. 'Now we have a new Cold War,' commented Russia expert Peter Felgenhauer in Moscow after President Trump recently announced plans to withdraw from the Intermediate-Range Nuclear Forces (INF) Treaty. The Trump administration is 'launching a new Cold War', said historian Walter Russell Mead in the *Wall Street Journal*, following a series of anti-Chinese measures approved by the president in October. And many others are already chiming in.

Recent steps by leaders in Washington, Moscow and Beijing may seem to lend credence to such a 'new Cold War' narrative, but in this case history is no guide. Almost two decades into the 21st century, what we face is not some mildly updated replica of last century's Cold War, but a new and potentially even more dangerous global predicament.

The original Cold War, which lasted from the late 1940s until the collapse of the Soviet Union in 1991, posed a colossal risk of thermonuclear annihilation. At least after the Cuban Missile Crisis of 1962, however, it also proved a remarkably stable situation in which, despite local conflicts of many sorts, the United States and the Soviet Union both sought to avoid the kinds of direct confrontations that might have triggered a mutual catastrophe. In fact, after confronting the abyss in 1962, the leaders of both superpowers engaged in a complex series of negotiations leading to substantial reductions in their nuclear arsenals and agreements intended to reduce the risk of a future Armageddon.



(Front, L-R) Presidents Vladimir Putin of Russia, Donald Trump of the US, Tran Dai Quang of Vietnam and Xi Jinping of China at the APEC summit in Danang, Vietnam, in November 2017. Putin's Russia, Trump's America and Xi's China all possess outsized military establishments with vast arrays of conventional and nuclear weapons.

What others are now calling the New Cold War – but I prefer to think of as a new global tinderbox – bears only the most minimal resemblance to that earlier period. As before, the United States and its rivals are engaged in an accelerating arms race, focused on nuclear and 'conventional' weaponry of ever-increasing range, precision and lethality. All three countries, in characteristic Cold War fashion, are also lining up allies in what increasingly looks like a global power struggle.

But the similarities end there. Among the differences, the first couldn't be more obvious: the US now faces two determined adversaries, not one, and a far more complex global conflict map (with a corresponding increase in potential nuclear flashpoints). At the same time, the old boundaries between 'peace' and 'war' are rapidly disappearing as all three rivals engage in what could be thought of as combat by other means, including trade wars and cyberattacks that might set the stage for far greater violence to follow. To compound the danger, all three big powers are now engaging in provocative acts aimed

at 'demonstrating resolve' or intimidating rivals, including menacing US and Chinese naval manoeuvres off Chinese-occupied islands in the South China Sea. Meanwhile, rather than pursue the sort of arms control agreements that tempered Cold War hostilities, the US and Russia appear intent on tearing up existing accords and launching a new nuclear arms race.

These factors could already be steering the world ever closer to a new Cuban Missile Crisis, when the world came within a hairsbreadth of nuclear incineration. This one, however, could start in the South China Sea or even in the Baltic region, where US and Russian planes and ships are similarly engaged in regular near-collisions.

Why are such dangers so rapidly ramping up? To answer this, it's worth exploring the factors that distinguish this moment from the original Cold War era.

It's a tripolar world, baby

In the original Cold War, the bipolar struggle between Moscow and Washington – the last two superpow-

ers left on planet Earth after centuries of imperial rivalry – seemed to determine everything that occurred on the world stage. This, of course, entailed great danger, but also enabled leaders on each side to adopt a common understanding of the need for nuclear restraint in the interest of mutual survival.

The bipolar world of the Cold War was followed by what many observers saw as a ‘unipolar moment’, in which the United States, the ‘last superpower’, dominated the world stage. During this period, which lasted from the collapse of the Soviet Union to the Russian annexation of Crimea in 2014, Washington largely set the global agenda and, when minor challengers arose – think Iraq’s Saddam Hussein – employed overwhelming military power to crush them. Those foreign engagements, however, consumed huge sums of money and tied down American forces in remarkably unsuccessful wars across a vast arc of the planet, while Moscow and Beijing – neither so wealthy nor so encumbered – were able to begin their own investment in military modernisation and geopolitical outreach.

Today, the ‘unipolar moment’ has vanished and we are in what can only be described as a tripolar world. All three rivals possess outsized military establishments with vast arrays of conventional and nuclear weapons. China and Russia have now joined the United States (even if on a more modest scale) in extending their influence beyond their borders diplomatically, economically and militarily. More importantly, all three rivals are led by highly nationalistic leaders, each determined to advance his country’s interests.

A tripolar world, almost by definition, will be markedly different from either a bipolar or a unipolar one and conceivably far more discordant, with Donald Trump’s Washington potentially provoking crises with Moscow at one moment and Beijing the next, without apparent reason. In addition, a tripolar world is likely to encompass more potential flashpoints. During the whole Cold War



A US Navy warship sailing in the South China Sea in May 2017. The South China Sea is one of the potential flashpoints in today’s tripolar world.

era, there was one crucial line of confrontation between the two major powers: the boundary between NATO and the Warsaw Pact nations in Europe. Any flare-up along that line could indeed have triggered a major commitment of force on both sides and, in all likelihood, the use of so-called tactical or theatre atomic weapons, leading almost inevitably to full-scale thermonuclear combat. Thanks to such a risk, the leaders of those superpowers eventually agreed to various de-escalatory measures, including the about-to-be-cancelled INF Treaty of 1987 that banned the deployment of medium-range ground-launched missiles capable of triggering just such a spiral of ultimate destruction.

Today, that line of confrontation between Russia and NATO in Europe has been fully restored (and actually reinforced) along a perimeter considerably closer to Russian territory, thanks to NATO’s eastward expansion into the Czech Republic, Poland, Hungary, Romania, Slovakia and the Baltic republics in the era of unipolarity. Along this repositioned line, as during the Cold War years, hundreds of thousands of well-armed soldiers are now poised for full-scale hostilities on very short notice.

At the same time, a similar line of confrontation has been established in Asia, ranging from Russia’s far-eastern territories to the East and

South China Seas and into the Indian Ocean. In May, the Pentagon’s Pacific Command, based in Hawaii, was renamed the Indo-Pacific Command, highlighting the expansion of this frontier of confrontation. At points along this line, too, US planes and ships are encountering Chinese or Russian ones on a regular basis, often coming within shooting range. The mere fact that three major nuclear powers are now constantly jostling for position and advantage over significant parts of the planet only increases the possibility of clashes that could trigger a catastrophic escalatory spiral.

The war has already begun

During the Cold War, the US and the USSR engaged in hostile activities vis-à-vis each other that fell short of armed combat, including propaganda and disinformation warfare, as well as extensive spying. Both also sought to expand their global reach by engaging in proxy wars – localised conflicts in what was then called the Third World aimed at bolstering or eliminating regimes loyal to one side or the other. Such conflicts would produce millions of casualties but never lead to direct combat between the militaries of the two superpowers (although each would commit its forces to key contests, the US in Vietnam, the USSR in Afghanistan), nor were

they allowed to become the kindling for a nuclear clash between them. At the time, both countries made a sharp distinction between such operations and the outbreak of a global 'hot war'.

In the 21st century, the distinction between 'peace' and 'war' is already blurring, as the powers in this tripolar contest engage in operations that fall short of armed combat but possess some of the characteristics of interstate conflict. When President Trump, for example, first announced tough import tariffs and other economic penalties against China, his stated intent was to overcome an unfair advantage that country, he claimed, had gained in trade relations. 'For months, we have urged China to change these unfair practices, and give fair and reciprocal treatment to American companies,' he asserted in mid-September while announcing tariffs on an additional \$200 billion worth of Chinese imports. It's clear, however, that his escalating trade 'war' is also meant to hobble the Chinese economy and so frustrate Beijing's drive to achieve parity with the United States as a major world actor. The Trump administration seeks, as *The New York Times*'s Neil Irwin observed, to 'isolate China and compel major changes to Chinese business and trade practices. The ultimate goal ... is to reset the economic relationship between China and the rest of the world.'

In doing so, the president is said to be particularly keen on disrupting and crippling Beijing's 'Made in China 2025' plan, an ambitious scheme to achieve mastery in key technological sectors of the global economy, including artificial intelligence and robotics, something that would indeed bring China closer to that goal of parity, which Trump and his associates are determined to sabotage. In other words, for China, this is no mere competitive challenge but a potentially existential threat to its future status as a great power. As a result, expect counter-measures that are likely to further erode the borders between peace and war.

And if there is any place where such borders are particularly at risk

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6-srv-svc1 httpd: [5324]: th6-seal.sso.th6.mtlidactique.intradef.gouv.fr 172.16.1.6 - - [23/Jan/2018:10:57:00.635] "POST /ExaProtect/foundation.jsf HTTP/1.1" 3864
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Cyberspace has become an increasingly significant arena for combat in the post-Cold War world.

of erosion, it's in cyberspace, an increasingly significant arena for combat in the post-Cold War world. While an incredible source of wealth to companies that rely on the Internet for commerce and communications, cyberspace is also a largely unpatrolled jungle where bad actors can spread misinformation, steal secrets or endanger critical economic and other operations. Its obvious penetrability has proven a bonanza for criminals and political provocateurs of every stripe, including aggressive groups sponsored by governments eager to engage in offensive operations that, while again falling short of armed combat, pose significant dangers to a targeted country. As Americans have discovered to our horror, Russian government agents exploited the Internet's many vulnerabilities to interfere in the 2016 presidential election and are reportedly continuing to meddle in America's electoral politics two years later. China, for its part, is believed to have exploited the Internet to steal American technological secrets, including data for the design and development of advanced weapons systems.

The United States, too, has engaged in offensive cyber-operations, including the groundbreaking 2010 'Stuxnet' attack that temporarily crippled Iran's uranium enrichment facilities. It reportedly also used such methods to try to impair North Korean missile launches. To what degree US cyberattacks have been directed

against China or Russia is unknown, but under a new 'National Cyber Strategy' unveiled by the Trump administration in August, such a strategy will become far more likely. Claiming that those countries have imperilled American national security through relentless cyberattacks, it authorises secret retaliatory strikes.

The question is: Could trade war and cyberwar lead one day to regular armed conflict?

Muscle-flexing in perilous times

Such dangers are compounded by another distinctive feature of the new global tinderbox: the unrestrained impulse of top officials of the three powers to advertise their global assertiveness through conspicuous displays of military power, including encroaching on the perimeters, defensive or otherwise, of their rivals. These can take various forms, including overly aggressive military 'exercises' and the deployment of warships in contested waters.

Increasingly massive and menacing military exercises have become a distinctive feature of this new era. Such operations typically involve the mobilisation of vast air, sea and land forces for simulated combat manoeuvres, often conducted adjacent to a rival's territory.

This summer, for example, the alarm bells in NATO went off when Russia conducted Vostok 2018, its

largest military exercise since World War II. Involving as many as 300,000 troops, 36,000 armoured vehicles and more than 1,000 planes, it was intended to prepare Russian forces for a possible confrontation with the US and NATO, while signalling Moscow's readiness to engage in just such an encounter. Not to be outdone, NATO recently completed its largest exercise since the Cold War's end. Called Trident Venture, it fielded some 40,000 troops, 70 ships, 150 aircraft and 10,000 ground combat vehicles in manoeuvres also intended to simulate a major East-West clash in Europe.

Such periodic troop mobilisations can lead to dangerous and provocative moves on all sides, as ships and planes of the contending forces manoeuvre in contested areas like the Baltic and Black Seas. In one incident in 2016, Russian combat jets flew provocatively within a few hundred feet of a US destroyer while it was sailing in the Baltic Sea, nearly leading to a shooting incident. More recently, Russian aircraft reportedly came within five feet of an American surveillance plane flying over the Black Sea. No one has yet been wounded or killed in any of these encounters, but it's only a matter of time before something goes terribly wrong.

The same is true of Chinese and American naval encounters in the South China Sea. China has converted some low-lying islets and atolls it claims in those waters into miniature military installations, complete with airstrips, radar and missile batteries – steps that have been condemned by neighbouring countries with similar claims to those islands. The United States, supposedly acting on behalf of its allies in the region, as well as to protect its 'freedom of navigation' in the area, has sought to counter China's provocative buildup with aggressive acts of its own. It has dispatched its warships to waters right off those fortified islands. The Chinese, in response, have sent vessels to harass the American ones and only recently one of them almost collided with a US destroyer. US Vice President Mike Pence, in a 4 October speech on Chi-

na at the Hudson Institute, referred to that incident, saying, 'We will not be intimidated, and we will not stand down.'

What comes next is anyone's guess, since 'not standing down' roughly translates into increasingly aggressive manoeuvres.

On the road to World War III?

Combine all of this – economic attacks, cyberattacks and ever more aggressive muscle-flexing military operations – and you have a situation in which a modern version of the Cuban Missile Crisis between the US and China or the US and Russia or even involving all three could happen at any time. Add the apparent intent of the leaders of all three countries to abandon the remaining restraints on the acquisition of nuclear weapons in order to seek significant additions to their existing arsenals, and you have the definition of an extremely dangerous situation. In February, for instance, President Trump gave the green light to what may prove to be a \$1.6 trillion overhaul of the American nuclear arsenal initially contemplated in the Obama years, intended to 'modernise' existing delivery systems, including intercontinental ballistic missiles, submarine-launched ballistic missiles and long-range strategic bombers. Russia has embarked on a similar overhaul of its nuclear stockpile, while China, with a much smaller arsenal, is undertaking modernisation projects of its own.

Equally worrisome, all three powers appear to be pursuing the development of theatre nuclear weapons intended for use against conventional forces in the event of a major military conflagration. Russia, for example, has developed several short- and medium-range missiles capable of delivering both nuclear and conventional warheads, including the 9M729 ground-launched cruise missile that, American officials claim, already violates the INF Treaty. The United States, which has long relied on aircraft-delivered nuclear weapons for use against massive conventional enemy threats, is now seeking additional attack options of its own. Un-

der the administration's Nuclear Policy Review of February 2018, the Pentagon will undertake the development of a 'low-yield' nuclear warhead for its existing submarine-launched ballistic missiles and later procure a nuclear-armed, sea-launched cruise missile.

While developing such new weapons and enhancing the capability of older ones, the major powers are also tearing down the remaining arms control edifice. President Trump's 20 October announcement that the US would withdraw from the 1987 INF treaty to develop new missiles of its own represents a devastating step in that direction. 'We'll have to develop those weapons,' he told reporters in Nevada after a rally. 'We're going to terminate the agreement and we're going to pull out.'

How do the rest of us respond to such a distressing prospect in an increasingly imperilled world? How do we slow the pace of the race to World War III?

There is much that could, in fact, be done to resist a new nuclear arms confrontation. After all, it was massive public pressure in the 1980s that led the US and USSR to sign the INF Treaty in the first place. But in order to do so, a new world war would have to be seen as a central danger of our time, potentially even more dangerous than the Cold War era, given the three nuclear-armed great powers now involved. Only by positioning that risk front and centre and showing how many other trends are leading us, pell-mell, in such a direction, can the attention of a global public already distracted by so many other concerns and worries be refocused.

Is a nuclear World War III preventable? Yes, but only if preventing it becomes a central, common objective of our moment. And time is already running out. ♦

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Iran sanctions: How deep will they bite?

Iran is facing hard times as the latest tranche of US-imposed sanctions come into operation. While it is difficult to predict how far the economy will shrink and whether it will bring the current administration under Hassan Rouhani down, it is clear that some remedial measures will help. Among these are bringing inflation under control and ensuring that the burden of the economic shock arising from the sanctions is shared equitably so that the poor do not pay too high a price.

Djavad Salehi-Isfahani explains.

FOR anyone watching the Asian Football Confederation (AFC) Champions League final, hosted in Tehran's Azadi stadium on 10 November, the only disappointment was the nil-nil score that denied Iran's team first place in Asia. The stadium scene was energised by a musical performance similar to the half-time show of the US Super Bowl as well as the cheers of 100,000 fans, including hundreds of women. This ebullience was in sharp contrast to the gloom elsewhere in Iran that has descended since the United States withdrew from the Iran nuclear accord (the Joint Comprehensive Programme of Action or JCPOA) and reimposed sanctions.

In Iran, officials blame the sanctions for the economic crisis, while in the United States, officials blame the Iranian government. There is no denying that Iran's economy has serious problems that have nothing to do with sanctions, but there is no doubt that the current crisis is the result of the sanctions. The same economy was able to expand by 18% in the two years when sanctions were partially lifted as a result of the 2015 nuclear deal. During the Iranian year that ended in March 2018, household incomes increased by 6%, after adjusting for inflation. This year and the next, the economy is expected to contract by 2% and 4% respectively.

Regime-change advocates in the United States who hope that sanctions will precipitate economic collapse will be disappointed, however. Economies do not collapse – they shrink. How far Iran's economy will shrink



When its economic crisis started, Iran had an overvalued exchange rate and loose controls on capital flight, which exacerbated the impact of the sanctions on Iran's rial currency.

and how Iran's leaders and its people respond to the contraction are the real questions. Will the economy bottom out in 2019 or continue to slide for several more years?

2012 vs. 2018

These questions cannot be answered definitively. But looking at the impact of the 2012 round of sanctions is a good place to start. There are remarkable similarities between the two crises in how they started – with the collapse of the rial currency and rapid inflation – despite the sharply differing philosophies of the governments in charge. In 2012, the populist Mahmoud Ahmadinejad was at the helm, while the moderate and pro-market Hassan Rouhani is the current

president. In both cases, when the crisis started, Iran had an overvalued exchange rate and loose controls on capital flight, which exacerbated the impact of the sanctions on Iran's currency.

Starting in May 2012, President Obama ratcheted up US sanctions against Iran's oil exports and banking. By early October, the rial had lost two-thirds of its value. The devaluation increased the price of imports, which quickly spread to the rest of the economy, raising the rate of inflation to an annual rate of 50% for six months before slowly coming down. The crisis forced the economy into a recession that lasted for two years and reduced national output by about 5% per year. The loss of output from this episode alone has been estimated at

over \$1 trillion in Purchasing Power Parity (PPP) dollars.

In a parallel fashion, starting in January 2018, as the threat of US withdrawal from the JCPOA gained momentum, the rial came under intense pressure and lost 70% of its value in the free market. Inflation has so far followed the 2012 pattern, jumping from a historically low (for the Islamic Republic) figure of less than 10% per year in 2017 to an annual rate of over 60% during the first six months of this Iranian year (21 March-20 September 2018). This was a faster rate of increase than in 2012, and it dealt a larger shock to the economy. Not surprisingly, output is already on a downward trajectory. The International Monetary Fund (IMF) forecasts that output will fall by 1.5% this year and another 3.5% in 2019.

How these shocks will affect personal incomes in the next year or two depends on how quickly inflation is brought under control and how the economy performs under sanctions.

The course of inflation depends on how much the government will try to protect incomes through direct assistance to the poor and how generous it will be with adjustments to the minimum wage and compensation for public employees. But the course of the economy is not under its control and depends to a large extent on how successful the United States will be in enforcing its sanctions.

The fiscally conservative President Rouhani is unlikely to risk taking Iran down the Venezuelan path of economic chaos. In 2012, the possibility of Venezuela-like hyperinflation was not completely moot because the populist Ahmadinejad was in charge. Today, the risk is from political rivalry in Tehran, where Iran's conservatives have been energised by the US departure from the JCPOA. Like Trump, they are betting that popular discontent may bring down Rouhani's government. If the going gets tough, Rouhani may decide to fight his way out of the jam by printing and spending more money.

Although printing money may



A bazaar in Tehran. 'There is no denying that Iran's economy has serious problems that have nothing to do with sanctions, but there is no doubt that the current crisis is the result of the sanctions.'

seem helpful in fending off the conservative challenge, it is ineffective in protecting incomes. A large external economic shock, such as the one Iran is experiencing now, will, one way or another, translate into lower average incomes. The most the government can do is to make sure that the burden of the shock is shared fairly and that the poor do not pay a high price. Doing so would go a long way towards minimising the adverse political impact of the sanctions.

In this regard, Rouhani is in a more difficult position than Ahmadinejad, whose large cash transfer programme, started in 2010, deposited \$90 (PPP) worth of cash per person each month in individual bank accounts. The programme was designed to replace highly unequal energy subsidies with uniform cash transfers that not only protected the poor but actually reduced poverty.

Rouhani has opposed this approach, preferring to leave energy prices alone and let the cash transfer programme die out. He has tripled the cash assistance to the three million families who are already under the protection of the two large national welfare programmes. Besides continuing wasteful energy subsidies – the largest in the world – this policy will risk alienating a large segment of the population, the lower middle

class, who do not qualify for such assistance.

The one significant improvement in Iran's prospects for resisting sanctions in 2018 relative to 2012 is its superior moral position. In 2012, a globally popular US president, the UN, the European Union and most of Iran's trade partners considered Iran in the wrong. In 2018, Iran is facing an unpopular US president and an EU that is actively trying to set up a mechanism to enable Iran to continue to trade with the rest of the world. Given this more sympathetic global environment, Iran should be able to make better use of the lessons it learnt in evading US sanctions.

To take advantage of this more sympathetic environment, President Rouhani and his tireless Foreign Minister, Javad Zarif, need to convince the sceptics in Iran's leadership that the economic benefits of what remains of the JCPOA still beat the benefits to Iran of resuming nuclear enrichment. ♦

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US aid to Israel – \$3.8 billion per year for the next 10 years and carte blanche!

In a shocking demonstration of the sway that Israel wields over the Trump administration and Congress, the US has committed itself to giving Israel a minimum of \$3.8 billion per year for the next 10 years. More alarming is the fact that the US will not legally be able to impose any conditions on how the money is spent.

Nicole Feied

A BILL that guarantees \$38 billion in US aid to Israel over the next 10 years is a dramatic departure from the deal offered under President Barack Obama's 2016 Memorandum of Understanding (MOU). Passed by the US House of Representatives in September, the United States-Israel Security Assistance Authorization Act of 2018 effectively rolls back every limitation that Obama placed on the amount of US aid to Israel.

In addition, the House version provides Israel even more perks than the version passed by the Senate in August. The bill now will go back to the Senate for approval, and then to President Donald Trump to be signed into US law.

Most dramatically, this new act would eviscerate the ability of Trump and his successors for the next 10 years to withhold US aid to Israel. Historically, almost every president since Dwight Eisenhower has attempted to withhold such aid at one time or another in order to force Israel to the peace table or to stop Israel from committing human rights abuses or illegal acts such as taking Palestinian land and giving it to Israeli settlers.

In an unprecedented gift of our executive power to Israel, the House has passed for the very first time a law that forces the American president to give Israel a minimum of \$3.8 billion per year. We have, in effect, crippled our ability to promote US



A US missile defence system seen during a US-Israeli military exercise. A proposed US military aid package would force the American president to give Israel a minimum of \$3.8 billion per year for 10 years.

interests in the Middle East.

Eisenhower was the last American president who managed to use this threat effectively, when he forced Israel to withdraw from Egypt's Sinai Peninsula in 1957.

Notably, President George Bush Senior failed miserably to make good on his threat to delay aid to Israel when its actions threatened a possible peace agreement with neighbouring Arab countries, complaining that he was 'just one little lonely guy' in his battle against pro-Israel lobbyists.

Aid to Israel likely to increase even more

The second most important effect of this act is in Section 103. While the MOU limits the amount of aid we give Israel to the amount agreed upon, in this case \$38 billion over 10 years,

Section 103 of the current bill removes all limitations on how much we give Israel. Under the new act, instead of \$38 billion being the cap, we must now give Israel a *minimum* of \$3.8 billion per year until 2028.

Without a cap, and with incessant lobbying by Israel and her proxies in the United States, the amount we give could conceivably double over the next 10 years. This is a huge coup for Israeli Prime Minister Benjamin Netanyahu and quite a slap in the face to the Obama administration.

Section 106 will increase Israel's access to a war-reserve stockpile by completely removing the limits on how many precision guided missiles we can give Israel. The existing law set a maximum of \$200 million worth of arms from the stockpile per year, to be charged against the agreed aid package.



Israeli Prime Minister Benjamin Netanyahu and US President Donald Trump. 'Netanyahu has demonstrated to the world that Israel can continue to act contrary to US interests and still manage to get ever more military aid and greater concessions...'

The House version of the bill differs from the Senate version, replacing the words 'sell' and 'sale' with 'transfer', which appears to open the door for more gifts in excess of the \$38 billion. To put this in context, a Tomahawk missile currently costs about \$1 million. The media recently lambasted Trump for using 60 such missiles in Syria because of the high cost.

Section 107 calls on the president to prescribe procedures for the rapid acquisition and deployment of precision guided munitions. The House text differs from the Senate version in that it removes all the detailed requirements for Israel to have such rapid acquisition. In the House version, there is only one, extremely broad requirement, that Israel is under direct threat of missiles (in Israel's opinion).

Israel can export US arms

Section 108 of the Act authorises Israel to export arms it receives from the US, even though this violates US law. The Senate version included a provision calling on the president to make an assessment of Israel's eligibility before adding Israel to the exemption list. The House version deleted that requirement, and simply orders the president to grant Israel the privilege.

In fact, Israel is ineligible, having repeatedly made unauthorised sales. US law further forbids granting such an exemption to any coun-

try that is in violation of the international nuclear Non-Proliferation Treaty, which Israel has refused to sign. Israel is known to be in possession of nuclear weapons, and hence in violation and ineligible for the export exemption. Congress thus reiterates the message that it will force the president to continue funding Israel even when that violates our laws.

Section 201 orders the US National Aeronautics and Space Administration (NASA) to work with the Israel Space Agency, even though an Israeli space official has been accused of illegally obtaining classified scientific technology from a NASA research project. US agencies periodically name Israel as a top espionage threat against the US.

The section also states that the US Agency for International Development (USAID) must partner with Israel in 'a wide variety of sectors, including energy, agriculture and food security, democracy, human rights and governance, economic growth and trade, education, environment, global health, and water and sanitation'.

Israel eludes usual military aid requirement

All countries except Israel are required to spend US military aid on American goods. This ensures that the American economy benefits to some degree from these massive gifts. (Of course, if Americans wished to subsidise these US companies, money

could be provided directly to them, and Israel and other countries left to buy their equipment with their own money.)

In the past, Israel has spent 40% of US aid on Israeli companies, at the expense of US industry. Under Obama's 2016 MOU, this percentage was to be decreased over the 10-year span, and eventually Israel's unique right not to use US military aid to purchase items from American companies was to be ended. The new Act eliminates this requirement, putting Israeli economic interests before our own.

Many in Israel had criticised Netanyahu for his aggressive attempts to undermine Obama's Iran nuclear deal, fearing that it would anger the White House and result in a less favourable aid offer. Analysts were particularly worried about what might happen if Trump were elected, since in 2016 he had said that he expected Israel to pay back the security assistance it receives from the US.

Yet just two years later it looks like the Israeli prime minister will obtain everything he sought and more. This is not surprising, since Trump, under extreme political pressure, is increasingly pandering to hardcore Israel supporters like billionaire Sheldon Adelson and Senator Lindsay Graham. (Graham is a top recipient of pro-Israel campaign donations.)

Netanyahu has demonstrated to the world that Israel can continue to act contrary to US interests and still manage to get ever more military aid and greater concessions, greater access to US secrets and technology, and greater control of US foreign policy. An Israeli spokesperson crowed: 'The landmark deal was reached despite budget cuts, including defence cuts, in the US.'

The \$38 billion package amounts to \$7,230 per minute to Israel, or \$120 per second. And that's before Israel advocates and ambitious politicians in the US push it even higher. ♦

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Imperialist in chief

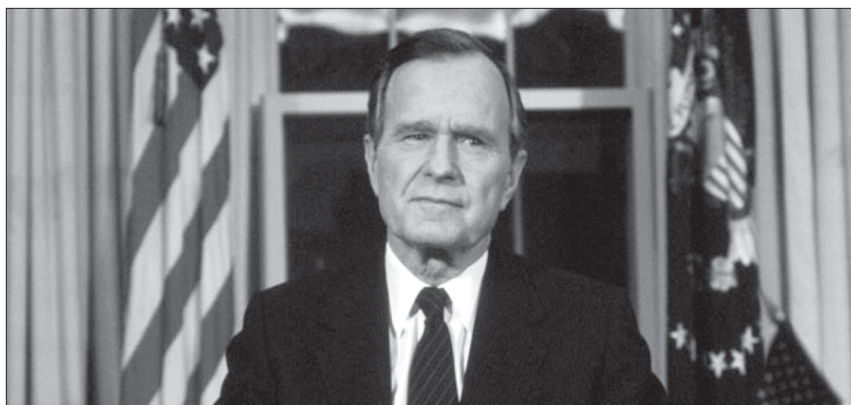
A critical history of George H W Bush's war on Iraq

The death of George H W Bush provoked a flood of eulogies and hagiographies from the US media and official circles. What was ignored was his imperial role in the Middle East, particularly in Iraq. *Anthony DiMaggio* provides a much-needed corrective.

THE US media haven't been shy about lionising the late President George H W Bush in their reflections on his life and legacy. This behaviour is hardly surprising; we saw the same worship of the late Republican Senator John McCain via the erasure of any discussion of US war crimes and genocidal violence in Vietnam, in favour of the predictable 'war hero' narrative.

On CNN, Aaron David Miller of the Woodrow Wilson International Center for Scholars celebrates the 'sheer humility' and 'decency' of the elder President Bush, while the *Washington Post* emphasises his 'steady hand' at the Cold War's end, at the time of the Soviet Union's collapse. The *New York Times* fawns over Bush as a 'restrained and seasoned leader', while celebrating the 1991 US assault on Iraq. 'If Mr. Bush's term helped close out one era abroad [the Cold War], it opened another. In January 1991, he assembled a global coalition to eject Iraqi invaders from Kuwait, sending hundreds of thousands of troops in a triumphant military campaign that to many helped purge the ghosts of Vietnam.'

Portraits of late heads of state and other prominent American leaders typically portray them as freedom-loving patriots who sacrificed for the good of their nation and in the fight for freedom, justice and democracy abroad. For those with a critical awareness of Bush the elder's time in office, little in this narrative is worth defending. Bush demonstrated a brazen commitment to realpolitik and enhancing American imperial power, particularly in US policy in the Middle East. But this inconvenient truth simply 'won't do' in a sycophantic



With the 1991 Gulf War, US President George HW Bush utilised propaganda on multiple fronts to build support for war. Picture shows Bush announcing the start of the war in an address to the nation on 16 January 1991.

media system where journalists worship myths about the US as global protector and saviour.

What follows is a much-needed corrective of the hagiographies that follow the passing of US heads of state. Bush's administration, particularly via the 1991 Iraq war, pursued one of the most blatant and dishonest propaganda campaigns in modern history. To borrow from Chomsky and Herman, the success of this campaign speaks to the effectiveness of official and journalistic efforts to 'manufacture consent' in the selling of US imperial war.

The invasion of Kuwait: The onset of the US propaganda campaign

With the 1991 Gulf War, President George H W Bush utilised propaganda on multiple fronts to build support for war. After Iraqi dictator Saddam Hussein invaded neighbouring Kuwait in August 1990, the Bush administration quickly went to work portraying Hussein as a global threat

and menace. Both Iraq and Kuwait are rich in oil, prompting American concerns with Hussein's expansionist ambitions in a part of the world holding one-quarter of known oil reserves.

Hussein had a history of aggressive foreign policy. He invaded Iran and fought a war from 1980 to 1988 – with US support – that ended in a bloody stalemate. Various estimates suggest the war caused from hundreds of thousands to a million deaths on both sides. Hussein's motives for attacking Iran derived from a border dispute, in addition to concern that the Iranian revolution (1979) would motivate Iraq's own citizens (its Shia majority) to rebel against his dictatorship.

After the conclusion of the Iran-Iraq war, Hussein turned his attention to Kuwait, listing numerous grievances against its ruling royal family. Among them: charges that Kuwait was slant-drilling into Iraq's southern Rumaila oil field; the claim that Kuwait was using the oil to flood the international market, thereby driving down global oil prices; anger that

Kuwait was demanding repayment of an \$80 billion loan funding the Iran-Iraq war; and the claim that the borders between Iraq and Kuwait were artificially drawn by colonial powers. It was also claimed that unification of Iraq and Kuwait under Hussein was necessary to Arab unity. None of these reasons were compelling to US officials, who (correctly) viewed the attack on Kuwait as an assault on an oil-rich ally.

In selling the American people on war, Bush offered several reasons why the US should force Iraq from Kuwait. These included the following: Hussein violated international law by invading Kuwait; Hussein was a brutal dictator who killed his own people; Hussein committed human rights atrocities in Kuwait; and Iraq was a threat to American national security. Regarding international law, Bush condemned Hussein for an 'outrageous and brutal act of aggression', deriding him for 'threatening his neighbours'. He warned that the invasion of Kuwait would empower Hussein to commit future acts of aggression:

'We must recognise that Iraq may not stop using force to advance its ambitions. Iraq has amassed an enormous war machine on the Saudi border capable of initiating hostilities with little or no additional preparation. Given the Iraqi government's history of aggression against its own citizens as well as its neighbours, to assume Iraq will not attack again would be unwise and unrealistic.'

The president dismissed the 'puppet regime imposed from the outside ... Saddam Hussein's forces will leave Kuwait. The legitimate government of Kuwait will be restored to its rightful place, and Kuwait will once again be free.'

Human rights were a prominent theme in Bush's rhetoric. Highlighting a history of executions and 'routine torture' against dissenters, Bush referred to Hussein as 'Hitler revisited', promising that 'America will not stand aside. The world will not allow the strong to swallow up the weak.' Central to human rights rhetoric was the claim that Iraqi troops brutalised



Demolished Iraqi vehicles along the route taken by retreating Iraqi forces during the Gulf War. The war's one-sided destructiveness was wrought almost entirely against the Iraqis.

premature babies in Kuwaiti hospitals. At the heart of this claim was testimony in the US Congress in October 1990 from a 15-year-old Kuwaiti girl known simply as 'Nayirah', who claimed that she personally witnessed Iraqi troops 'come to the hospital with guns. They took the babies out of the incubators. They took the incubators and left the babies to die on the cold floor.'

This story was cited by President Bush as a primary justification for war. As Bush recounted: 'They had kids in incubators, and they were thrown out of the incubators, so that Kuwait could be systematically dismantled.' Bush cited the incubator story at least 10 times in subsequent weeks, and was quick to emphasise human rights issues, rather than US oil interests, as he stated that 'it isn't oil that we're concerned about, it is aggression. And this aggression is not going to stand ... What we are looking at is good and evil, right and wrong. And day after day, shocking new horrors reveal the true nature of terror in Kuwait.'

President Bush also referred to Hussein's history of using chemical weapons, and his supposed development of nuclear weapons, as evidence that the US needed to act. Hussein used chemical weapons against the Kurds in the northern city of Halabja

in 1988, resulting in 6,800 deaths (mostly civilians), and he had ordered the torture and mass killing of any Iraqis challenging his authority. Bush warned: 'While the world waited, Saddam sought to add to the chemical weapons arsenal he now possesses, an infinitely more dangerous weapon of mass destruction – a nuclear weapon.' The president promised to 'knock out Hussein's nuclear bomb potential' and his 'chemical weapons facilities'.

Following the invasion of Kuwait, the US introduced wide-ranging sanctions against Iraq, while mobilising US military forces for war. The US-allied attack began on 17 January 1991 and culminated in the rapid military defeat of Iraq and its forced expulsion from Kuwait, in addition to the deaths of thousands of Iraqi civilians. Hundreds of thousands more civilians died in the aftermath of war, as the US-supported sanctions prevented Iraq from rebuilding vital infrastructure, including its electric grid and water purification facilities.

President Bush briefly admitted in the pre-war period that 'Iraq is already a rich and powerful country that possesses the world's second largest reserves of oil' and that 'our country now imports nearly half the oil it consumes and could face a major threat to its economic independence. Much

of the world is even more dependent upon imported oil and is even more vulnerable to Iraqi threats.' However, Bush insisted that oil was not a serious reason for the war, despite his admission. In his speeches throughout the fall of 1990, Bush focused almost entirely on issues of human rights, national security and state sovereignty when making the case for war, not on oil concerns.

President Bush's pro-war rhetoric galvanised public support for war throughout the fall and winter of 1990. Gallup surveys found that, while feelings that the US should 'begin military action against Iraq' stood at just 21% in August, the number had risen to 41% by December and 49% by January 1991 – a growth of 28 percentage points. When asked if Americans believed it was 'worth going to war', 45% said yes in August 1990, compared with 51% in November 1990 and 71% by late January 1991 once fighting began. The twin factors of pro-war rhetoric from officials and the media, and the onset of military conflict, worked in tandem to aid the administration in cultivating and maintaining war support.

Rhetoric versus reality in the Iraq war

The lofty rhetoric employed by the president hardly matched the history of US-Iraqi relations. Numerous distortions were presented as fact, and inconvenient truths were ignored by political elites and the media.

One of the highest-profile distortions was the claim that Iraqi troops threw premature Kuwaiti babies to the floor while stealing their incubators. Reporting by the Canadian Broadcasting Corporation found there was no evidence these events occurred. What of the testimony from the Kuwaiti girl Nayirah? This 15-year-old was not a neutral bystander but the daughter of the Kuwaiti ambassador to the US. She was part of the Kuwaiti government's effort to get back into power, and was coached to deliver her lines in front of the Congressional committee by the US public relations firm Hill and Knowlton as



US troops during the Gulf War.

part of the 'Citizens for a Free Kuwait' astroturf 'movement' funded by the Kuwaiti government, which allocated millions of dollars to a propaganda campaign aimed at cultivating public war support. In reaction to this deception, Amnesty International condemned President Bush for his 'opportunistic manipulation of the international human rights movement'. However, the details of this deception emerged too late to make a difference in deterring support for war.

What about the comparison between Saddam Hussein and Adolf Hitler, and the claim that Iraq threatened US national security? Although Iraq did retain a nuclear programme prior to the 1991 Gulf War, there was little evidence one way or another in the early 1990s regarding the state of the programme. The lack of details meant the Bush administration had little direct insight into whether a nuclear threat existed, despite public claims otherwise. President Bush also warned that Iraq was amassing massive numbers of troops along the Iraq-Saudi border and that potential aggression against Saudi Arabia merited war. Commercial satellite photos from 1990, however, revealed that there was no confirmable build-up of Iraqi troops on the Saudi border at the time.

Bush's comparison of Hussein to Hitler was also propagandistic. There's no doubt that Hussein was an aggressive, repressive dictator, as seen in his attacks on Iran, Kuwait and his own people. But Hussein's crimi-

nality was minor league compared to the most criminal authoritarian regimes in history. Hussein was a regional aggressor, not a global one. The Nazis were the largest existential threat the US faced in its history. By contrast, although Iraq possessed the fourth largest military in the world in 1990, that military was technologically three-quarters of a century behind the US military.

The dominant tactic used by the Iraqis in the conflict with Iran was trench warfare, which had not been used by the US and its allies since World War I. Iraqis hiding in trenches were no match for US stealth bombers, fighter jets and tanks. US tanks fitted with ploughs rode up to the trenches, burying Iraqi troops alive and killing hundreds. Thousands more died on the 'Highway of Death' between Iraq and Kuwait. Retreating Iraqi military convoys were savaged by US fighter jets, leading to mass incinerations and an image of devastation that became an enduring symbol of the war's one-sided destructiveness, wrought almost entirely against Iraqis. US fighter jets referred to their attack runs against Iraqi vehicles as a 'turkey shoot', indicating the severity of the slaughter.

While an estimated 10,000 to 12,000 Iraqi troops were killed in the conflict, 147 US deaths were recorded – translating into an imbalance of between 68-to-1 and 82-to-1. The 1991 Gulf War and the Second World War were also radically different in their duration. The US defeated Iraq in just five weeks of fighting in 1991.

In contrast, the Second World War spanned from 1939 to 1945, and the US involvement extended for three-and-a-half years, from late 1941 through mid-1945. In short, Bush's comparison of Hussein to Hitler was an incredible achievement of propaganda.

The Bush administration also deceived the public on Iraq's chemical weapons. The US provided billions in military and economic aid to Iraq during the 1980s, up until Hussein's invasion of Kuwait. The US was a supporter of Hussein's regime during the worst of his atrocities, before, during and after the gassing of Halabja in 1988. The issue barely appeared in the news in the run-up to the Gulf War, but it was more often reported following the invasion of Kuwait, since the gassing played into the US' own narrative that it was concerned with human rights in Kuwait. But the US was anything but concerned with the victims of Hussein's crimes when the deaths occurred – his victims were pawns in a geopolitical power game between the US and Iraq.

Looking at past support for Hussein, one sees US fingerprints all over the Iraqi chemical attacks on the Kurds and against Iranian troops during the Iran-Iraq war. President Bush, working with Senators such as Republican Bob Dole, fought against the instituting of sanctions against Iraq after the Halabja gassing. Furthermore, as reported by the *New York Times* in 2002, discussions with 'senior military officers' revealed that the Reagan administration secretly provided 'critical battle planning assistance [to Iraq against Iran] at a time when American intelligence knew that Iraqi commanders would employ chemical weapons in waging the decisive battles of the Iran-Iraq war'. ABC's *Nightline* reported in 1992 that the 'Reagan/Bush administrations permitted – and frequently encouraged – the flow of money, agricultural credits, dual use technology (allowing Iraq to develop chemical weapons), chemicals, and weapons to Iraq'. In the run-up to the 2003 Iraq war, US officials removed thousands of pages from UN reports that docu-

mented how the US supplied the components for developing chemical weapons. As the German newspaper *Die Tageszeitung* reported:

'The missing pages [of the UN report] implicated twenty-four US based corporations and the successive Ronald Reagan and George Bush Sr. administration in connection with the illegal supplying of Saddam Hussein government with myriad weapons of mass destruction and the training to use them.'

The Bush administration enabled the chemical weapons atrocities committed by Hussein. Widespread recognition of this harsh reality, however, did not materialise in the run-up to the 2003 invasion, as it threatened to undermine the narrative that the US was concerned with human rights in Iraq.

Finally, what of President Bush's insistence that oil was not a significant interest of the US? Available evidence shows this claim was a lie, told to obscure US strategic interests in the Middle East. Now-declassified government documents reveal that oil interests were of central concern to the president. National Security Directive 26, signed by President Bush in 1989, stated: 'Access to Persian Gulf oil and the security of key friendly states in the area [of which Iraq was one in 1989] are vital to US national security. The United States remains committed to defending its vital interests in the region, if necessary and appropriate through the use of US military force, against the Soviet Union or any other power with interests inimical [contrary] to our own.' At the time, Bush wrote that 'normal relations between the US and Iraq would serve our longer-term interests and promote stability in both the Gulf and the Middle East'.

National Security Directive 54, which Bush signed in January 1991, also declared that Middle East oil was vital to US national security and that it remained committed to using force to defend 'its' interest (Iraqi oil presumably belongs to the United States). The Bush administration reversed course, however, declaring in the document that 'Iraq, by virtue of

its unprovoked invasion of Kuwait on 2 August 1990, and its subsequent brutal occupation, is clearly a power with interests inimical to our own'.

The two documents reveal that the primary US concern in Iraq was oil, and that Bush was willing to marginalise Iraqi human rights atrocities in pursuit of neocolonial interests. The documents also revealed that the US was committed to the use of force in the name of dominating Iraqi oil, contrary to President Bush's public lies.

Getting beyond the grand men of history

Media eulogies of President Bush will focus on the 'greatness' of the former president as a man of honour, determination and resolve. But US imperialism is not about one man, a personality or about the power of the will. To strip away this mystique from the way we talk about US presidents, however, would expose the naked neocolonial ambitions of US foreign policy. There is nothing noble about the brutal motives that drive US foreign policy, and few Americans will be willing to defend criminal foreign wars if they are made aware of the dirty details that define these conflicts.

It's the job of the 'stenographers to power' in the press, to borrow a phrase from David Barsamian, to echo the propaganda claims of US officials. Considering this task, journalists much prefer romantic notions of American altruism to more sober assessments of the president as imperial manipulator. And by emphasising the legacy of George H W Bush independent of presidential propaganda, the media marginalise the central issues of US militarism and imperialism in the Middle East. ♦

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‘Migration is a form of fighting back’

Looking at the root causes of migration

It is the US-sponsored wars in Central America and US economic policies (especially the imposition of unequal trade treaties) which have ruined the region's economies and spurred migration to the US. In the circumstances, the decision to migrate to the US in the face of the threat of detention and separation from their children by the US authorities is clearly an act of resistance, says *David Bacon*.

FOR eight years at the West County Detention Center in Richmond, California, monthly vigils were organised by faith communities and immigrant rights organisations to support those inside. These protests, and the testimony of detainees' families, were so powerful that the county sheriff in July announced he was cancelling the contract he signed long ago with the federal government to house the prisoners.

While that was a victory, it did not lead to freedom for most of them, however, who were transferred to other detention centres. Instead, it has forced us to examine deeper questions. In those vigils we heard the living experiences of people who had no alternative to leaving their homes and countries to escape violence, war and poverty, who now find themselves imprisoned in the detention centre. We have to ask: Who is responsible? Where did the violence and poverty come from that forced people to leave home, to cross the border with Mexico, and then to be picked up and incarcerated in the US?

Whatever the immediate circumstances, there is one main cause for the misery that has led migrants to the US: the actions of the government of this country, and the wealthy elites that the government has defended.

Taking responsibility

I went to Guatemala several times over the last two decades with my friend Sergio Sosa. Sergio was brought up in the church. As a young



Migrants at the US-Mexico border seeking asylum.

man, he was on his way to becoming a priest. Then he became a *combatiente* (a participant in the social struggle and war in Guatemala from the late 1970s to the early 1990s), but he remained a friend of Bishop Bobadilla in Huehuetenango, a disciple of Archbishop Romero in El Salvador (who was assassinated at the beginning of El Salvador's insurrection and war of the same period).

One evening Bobadilla, Sergio and I spent a long time talking about the civil war of the 1980s, and the fact that the massacres of tens of thousands of indigenous inhabitants of the mountains above Huehuetenango were carried out with guns that came from the United States, by soldiers whose officers had gone to the School of the Americas in the US state of Georgia.

Yet in all the talk I felt no anger from the bishop towards me as someone from the United States. ‘Why

not?’ I asked. ‘Because we know you have as little control over your government as we do over ours, probably less,’ Bishop Bobadilla answered. ‘But you’re interested in us. You want to hear about what happened, you know it was wrong, and you want to take some responsibility for it.’

Today when I read about the women and children from Guatemala in detention, when we hear their voices and see their photographs, I think about what Bobadilla said. It sounds so unbelievably hopeful – this idea that as people here in the US we want to take responsibility and recognise the history of all that’s happened between us and the people of Central America.

How did these children come to be here? And what does taking responsibility mean? It’s not enough to believe that all children should be valued and cared for with the greatest tenderness and love. We need to

know why they're here, in such an obviously dangerous and painful situation, enduring separation from their families and the adults in their lives.

You don't hear much discussion of responsibility or acknowledgement of history in the discourse of our national leaders. And it's not just the racist slurs of Trump.

To Sergio, migration is not just a journey from one point to another. Migration is a form of resistance to empire. 'People from Europe and the US crossed borders to come to us, and took over our land and economy,' he points out. 'Now it's our turn to cross borders. Migration is a form of fighting back.'

US-sponsored wars

Migration from Central America has been happening for a very long time, but modern migration began with the wars. Refugees fled El Salvador and Guatemala because of massacres. Sergio says, 'Our army was trained at the School of the Americas, and they would come back afterwards and kill our own people. The United States used its power, and we buried the dead.'

This means we have had separated families for at least 35 years. When families settled in US cities, many lived in the MacArthur Park neighborhood in downtown Los Angeles. In the 1990s this neighbourhood was the focus of the Ramparts scandal, which exposed massive corruption in the Community Resources Against Street Hoodlums (or C*R*A*S*H) anti-gang unit of the Los Angeles Police Department.

In the name of combating gang activity among young immigrants from Central America, cops dished out unprovoked shootings and beatings, planted false evidence, framed suspects, stole and dealt narcotics themselves, robbed banks, lied in court, and covered up evidence of their crimes. It was one of the most extensive cases of police misconduct in US history. The young people they targeted were imprisoned and then deported. The names of their gangs in Central America refer to Los An-

geles streets.

Some 129,726 people convicted of crimes were deported to Central America from 2000 to 2010. With the deportations, the two most prominent Los Angeles gangs – the Mara Salvatrucha 13 and the Barrio 18 – quickly became the two largest transnational gangs. In El Salvador, Guatemala and Honduras, US law enforcement assistance pressured local police to adopt a *mano dura* or hardline approach to gang members. Many young people deported from the United States were incarcerated almost as soon as they arrived. Prisons became schools for gang recruitment.

US funding for law enforcement and the military still flows, two decades after the wars ended, through the Central America Regional Security Initiative (CARSI). Marine Corps General John Kelly, when he was commander of the US Southern Command, said that migration was a national security threat, calling it a 'crime-terror convergence'. Today he's Trump's chief of staff in the White House.

Imposing economics

During and after the war, the United States imposed an economic model on Central American countries based on producing for export, in 'export processing zones' (EPZs) where companies could operate without complying with normal taxes, environmental regulations and labour standards. San Pedro Sula in Honduras, called a 'murder capital' by *The New York Times*, is not just a city of gangs. It's a factory town.

One of San Pedro Sula's working women, Claudia Molina, described the conditions there: 'Our work day is from 7:30 am to 8:30 pm,' Molina told me, 'sometimes until 10:30, from Monday to Friday. On Saturday we start at 7:30 am. We get an hour for lunch and work until 6:30 pm. We take a half-hour again to eat, and then we work from 7 pm until midnight. We take another half-hour rest, and then go until 6 on Sunday morning. Working like this, I earned 270 lempiras per week [about \$30 at

the time].' When Molina and her co-workers tried to organise a union, 600 women were fired.

Over 95% of the women in the Honduran plants (*maquiladoras*) are younger than 30, and half younger than 20. To keep women from getting pregnant and leaving the factory to have children, the US Agency for International Development (USAID) funded contraceptive distribution posts staffed by nurses in EPZ factories, including children's apparel company OshKosh B'gosh. You can make the clothes for US babies, but don't have any of your own.

And kids themselves are workers. Girls between 10 and 14 make up 16% of the women in the factories.

The US government promoted policies providing low-cost labour to US corporations, promoting economic development that tied the economies of Central American countries to US corporate investment. By the end of the 1990s, the number of Salvadorans in the United States had reached two million. And US taxes didn't just pay for war and *maquiladoras*; they funded an even larger strategy of encouraging foreign investment through privatising state utilities, services and assets, and of negotiating 'free trade' agreements with Mexico (the North American Free Trade Agreement – NAFTA) and with Central American countries (the Central American Free Trade Agreement – CAFTA).

Policy as leverage

The United States used immigration as a lever to force governments to go along. In 2004 US Deputy Secretary of State for Latin America Otto Reich threatened to cut remittances if people voted for the left-wing Farabundo Martí National Liberation Front (FMLN) in El Salvador. After the FMLN lost, CAFTA was signed and implemented in 2005 by the government that Reich supported.

In Honduras, the congress had to ratify CAFTA in a secret meeting at midnight, when no opposition parties were present. Then, in 2009 a tiny

wealthy elite overthrew Honduran President Manuel Zelaya because he raised the country's minimum wage, gave subsidies to small farmers, cut interest rates and instituted free education. Raising living standards would have given people a future at home. Nevertheless, after a weak protest, the Obama administration gave de facto approval to the coup regime that followed. If social and political change had taken place in Honduras, we would see far fewer Hondurans trying to come to the United States.

Many of the children and families coming from Central America to the United States today are therefore coming to reunite with their families, who were divided by war and earlier migration. They are responding to the threat of violence caused by criminalisation and deportations. They are looking for economic survival in countries tied to the neoliberal economic model.

These are the real causes. There is no lax enforcement, and the claim that kids are coming because they think they'll be allowed to stay is a myth. Around 400,000 people are still deported every year, and 350,000 people spend some time in an immigrant detention centre. The US Border Patrol has 20,000 agents, and the United States spends more on immigration enforcement than the FBI (Federal Bureau of Investigation) and DEA (Drug Enforcement Agency) budgets combined.

The migration of Central Americans, including children, has been used by Tea Party and Border Patrol to push to expand that budget, to build more private detention centres, to increase funding for the CARS and the military, and to kill the DACA program (Deferred Action for Childhood Arrivals, the Obama-era order that allowed young people brought to the United States without documents as children to stay). The hysteria played a big part in electing President Trump, with chants at his rallies of 'Build the Wall!'

But children will keep coming so long as we don't take responsibility for dealing with the causes of migration. Knowing where the violence and

poverty are coming from, and who benefits from this system, is one step towards ending it. But we also have to know what we want in its place. What is our alternative to the detention centres and the imprisonment of the people inside? To the deaths of hundreds of people on the border every year?

What's the alternative?

We have had alternative proposals for many years. One set of alternatives was called the Dignity Campaign. The American Friends Service Committee had another. They all had certain commonsense ideas in common:

- An end to mass detention and deportations, and the closing of the detention centres.
- An end to the militarisation of the border.
- An end to the idea that working without papers should be a crime.

These proposals also tried to deal with the root causes by calling for:

- An end to the trade agreements and economic reforms that force people into poverty and make migration the only means to survive.
- An end to military intervention, to military aid to right-wing governments, and to US support for the repression of the movements fighting for change.

The migration of Central Americans has benefited labour and social justice movements in the US. One big example was Justice for Janitors in Los Angeles, where Central American janitors defied the police and were beaten up in Century City, but finally won a contract. It is a powerful combination – workers on the bottom with not much to lose in minimum-wage jobs, and politically sophisticated organisers hardened in a war zone.

That should inspire progressive movements in the US to look at immigration in a different way. Simply being an immigrant may not bend a person politically to the left, but many immigrants bring organising skills and working-class political consciousness with them, depending on where they come from and their previous experiences.

The right to stay home

Mixtec professor Gaspar Rivera Salgado says, 'The right to stay home, to not migrate, has to mean more than the right to be poor, or the right to go hungry. Choosing whether to stay home or leave only has meaning if each choice can provide a meaningful future, in which we are all respected as human beings.'

That right can't be achieved in Central America alone. The policies pursued by the US government, whether through war and military aid or through trade agreements and pressure to keep wages low, all produce migration. When we look at the families in detention centres today, we have the responsibility to give them a world in which the choice to leave Guatemala or El Salvador or Honduras is truly voluntary – where they have a future with dignity if they choose to stay. The ability to stay home is as important as the ability and right to migrate.

If you think this is just a dream, remember that a decade after Emmett Till was lynched in Mississippi, the US Congress passed the Civil Rights Act. That same year, 1965, Congress put the family preference immigration system into law, the only pro-immigrant legislation we've had for a hundred years.

That was no gift. A civil rights movement made Congress pass that law. When that law was passed, we had no private immigrant detention centres. There were no walls on our border with Mexico, and no one died crossing it, like the hundreds who now perish in the desert every year. There is nothing permanent or unchangeable about these institutions of oppression. We have changed our world before, and our movements here can do that again. ♦

David Bacon is a journalist and photographer covering labour, immigration and the impact of the global economy on workers. He is the author of several books, including Illegal People: How Globalization Creates Migration and Criminalizes Immigrants (Beacon Press, 2009). The above article is reproduced from Dollars & Sense (September/October 2018, dollarsandsense.org).

Human rights at risk from ‘tsunami’ of privatisation

Widespread privatisation of public goods is systematically eliminating human rights protections and further marginalising the interests of low-income earners and those living in poverty, a United Nations human rights expert has said.

IN a recent report to the UN General Assembly, the Special Rapporteur on extreme poverty and human rights, Philip Alston (from Australia), said that existing human rights accountability mechanisms are clearly inadequate for dealing with the challenges presented by large-scale and widespread privatisation.

‘Privatising the provision of criminal justice, social protection, prisons, education, basic health-care and other essential public goods cannot be done at the expense of throwing rights protections out of the window,’ Alston said.

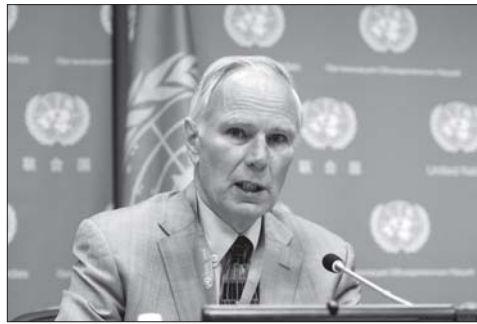
‘States can’t dispense with their human rights obligations by delegating core services and functions to private companies on terms that they know will effectively undermine those rights for some people,’ he added.

According to the report by the Special Rapporteur, neoliberal economic policies are aimed at shrinking the role of the state, especially through privatisation. This agenda has been remarkably successful in recent years and continues to be promoted aggressively by the World Bank, the International Monetary Fund (IMF), parts of the United Nations and the private sector.

‘The logic of privatisation assumes no necessary limits as to what can be privatised, and public goods ranging from social protection and welfare services, to schools, pension systems, parks and libraries, and policing, criminal justice and the military sector, have all been targeted,’ it said.

There is no substitute for the public sector to coordinate policies and programmes to ensure respect for

Kanaga Raja



UN Special Rapporteur on extreme poverty and human rights, Philip Alston.

human rights. Yet privatisation directly undermines the viability of the public sector and redirects government funds to subsidies and tax breaks for corporate actors.

‘The consequences for human rights are overwhelmingly negative. Human rights standards are rarely included in privatisation agreements. They are systematically absent from guidelines governing both processes and outcomes.’

With some exceptions, privatised entities are rarely held meaningfully to account, and government and quasi-government agencies responsible for such tasks are often either underfunded or captured by the relevant industry.

The Special Rapporteur said while it is clear both from the evidence that exists and from the basic assumptions underpinning privatisation that it negatively affects the lives and rights of people living on lower incomes or in poverty, the unsurprising fact is that few detailed studies have been undertaken and relevant data are often not collected.

In the face of externally or inter-

nally driven demands for ‘fiscal consolidation’ (austerity), governments retreat from direct service provision, trade short-term deficits for windfall profits from the sale of public assets, and push hidden financial liabilities down the road for future generations. The opportunity to shed responsibility, rather than to exercise it at arm’s length, becomes irresistible, he added.

‘Privatisation also undermines democracy by marginalising the role of Governments in deciding on the allocation of public goods and services, thus giving citizens even less incentive to participate in elections.’

The rights expert noted that a trend towards political demobilisation, especially affecting low-income persons, has occurred in many states in recent years, and austerity policies closely linked to privatisation have created fertile ground for the rise of populist, anti-human-rights politicians.

Waves of privatisation

The Special Rapporteur explained that privatisation is a process through which the private sector becomes increasingly, or entirely, responsible for activities traditionally performed by government, including many explicitly designed to ensure the realisation of human rights. It can take many forms, ranging from the complete divestiture of government assets and responsibilities to arrangements such as public-private partnerships.

Since the 1970s, several waves of privatisation have swept the world. In 2017, the Privatisation Barometer concluded that ‘the massive global

privatisation wave that began in 2012 continues unabated’.

According to the rights expert, that wave has been driven not only by governments and the private sector, but also by international organisations, especially the IMF, the World Bank and the United Nations.

While some proponents present privatisation as just ‘a financing tool’, others promote it as being more efficient, flexible, innovative and effective than public sector alternatives. In practice, however, privatisation has metamorphosed into an ideology of governance.

Large-scale privatisation was first championed by General Augusto Pinochet, President of Chile, in the early 1970s and then taken up by Margaret Thatcher, Prime Minister of the United Kingdom, after her election in 1979.

In the UK, the first national industries to be sold were in competitive markets, such as aerospace, road freight and storage, shipbuilding, oil and council housing. By the mid-1980s, ‘natural monopolies’, or public utilities such as rail, water, sewerage, electricity, gas and telecommunications, were sold. And in 1992, the private finance initiative was introduced as a means by which to rely on private investment to deliver a wide range of public sector services and infrastructure, in accordance with government specifications.

Internationally, privatisation was promoted as an antidote to patronage through public sector employment and as a means of reducing the size of government. It became a central feature of the programmes promoted in the post-communist states of Eastern Europe and spread to Africa, Latin America and Asia under the auspices of the Washington Consensus.

Development finance and structural adjustment support were made conditional upon the transfer of ownership of ‘burdensome and inefficient public enterprises’ to private companies. Public utilities, especially in water and sanitation, were the subject of large-scale privatisation.

By the early 2000s, as the pitfalls of structural adjustment became more

apparent, proponents of privatisation talked less of downsizing the state and more about correcting market failures, creating markets and enabling the private sector to thrive.

Public-private partnerships also emerged, especially in the infrastructure context, as a favoured mechanism.

According to the Special Rapporteur, another wave followed the global financial crash of 2007-08 and the resulting push for austerity and budget reductions. Privatisation generated funds for cash-strapped governments, reduced liabilities, allowed major projects to be pursued ‘off-budget’ without being reflected in government spending, and provided an occasion to push public sector reforms.

Alston said the current wave of privatisation emphasises the concept of ‘blended finance’, defined as ‘the use of development capital (from public sources like government aid or development banks, or philanthropic sources like foundations) to de-risk Sustainable Development Goal-related investments ... in order to attract commercial capital from private investors who would otherwise not have participated’.

Whereas public-private partnerships are project-based and define the contractual relationship between the parties involved, ‘blended finance’ refers to the sources of finance. The role of the government is in part to ‘provide a significant risk cushion’. In other words, corporations take the profits, but governments will bear much of the losses if they are significant.

Assessing the extent to which privatisation has occurred in global terms is difficult, if not impossible, given the wide variation among countries and sectors, and over time.

In the European Union, 1,749 public-private partnerships, worth some €336 billion, have been transacted since the 1990s, primarily in transport, healthcare and education.

‘There is a real risk that the waves of privatisation experienced to date will soon be followed by a veritable tsunami,’ Alston warned.

Some observers suggest that privatisation, at least in some industries and sectors, is slowing down in the face of ‘re-municipalisation’. One study documented 235 cases of water re-municipalisation in 37 countries between 2000 and 2015. A later study of essential services such as energy, waste collection, transport, education, health and social services found 835 examples of re-municipalisation, involving more than 1,600 cities in 45 countries.

Privatisation has long been a key part of the agenda of the IMF. Although the Fund claims to have introduced major changes to some of its Washington Consensus-era policies, the emphasis on the privatisation of a range of public sector enterprises and activities continues to feature prominently in the advice given to governments and in the conditions attached to its loans. A review of the 10 most recent Article IV staff reports dealing with countries in Africa shows that the IMF was actively advocating privatisation in six cases, while in virtually all of the others the governments themselves noted their commitment to public-private partnerships and related projects.

In 2015, the World Bank promoted the concept of increasing private sector financing ‘from billions to trillions’ to meet the Sustainable Development Goals. In 2017, it announced its ‘Maximising Finance for Development’ agenda, which ‘prioritises private financing and sustainable private sector solutions’ to achieve the Sustainable Development Goals by 2030.

Using a ‘cascade approach’, the Bank seeks to ‘crowd the private sector in’ and to ‘reserve scarce public financing for those areas where private sector engagement is not optimal or available’. In effect, profitable enterprises will be reserved to the private sector, while unprofitable activities will be publicly financed.

Alston pointed out that the voluminous materials promoting this entirely one-sided solution to development financing make no mention of the human rights implications of the resulting public/private division of

labour, and the implications for those living in poverty are given short shrift.

He said it is, however, important to make the point that the arguments that are systematically invoked to justify privatisation are often challenged or contradicted by the available evidence. In this context, the Special Rapporteur drew attention to the results of two very recent detailed official studies.

The first study, conducted by the National Audit Office of the United Kingdom, concluded that the private finance initiative model had proved to be more expensive and less efficient in providing hospitals, schools and other public infrastructure than public financing.

The second study, conducted by the European Court of Auditors of the European Union, examined 12 public-private partnerships in France, Greece, Ireland and Spain in road transport and information and communications technology. It concluded that the partnerships were characterised by 'widespread shortcomings and limited benefits'.

In terms of costs, private finance is more expensive than public finance, and public-private partnerships can also incur high design, management and transactional costs due to their complexity and the need for external advice. In addition, negotiations on issues other than traditional procurement can cause project delays of some years.

Similar findings emerged from a review of public-private partnerships in health and education in Africa, Asia and Latin America that pointed to high public costs and onerous ongoing administrative burdens for the public sector.

The rights expert noted that privatisation arrangements are rarely conducive to human rights impact assessments. First, human rights criteria are systematically absent from almost all such agreements. Second, sustained monitoring is rarely undertaken on issues such as the impact on the poor, access to services and service quality.

But available reports attest to innumerable ways in which those liv-

ing in poverty or on low incomes can be negatively affected by privatisation, said the Special Rapporteur.

Citing some examples, Alston said that as aspects of criminal justice systems are privatised, many different charges and penalties are levied with far greater impact on the poor, who then must borrow to pay them or face default. The quality of the services that they can afford diminishes, and their prospects of obtaining justice recede even further.

The privatisation of social protection often results in the poor being 'relegated to a new even more underfunded public sector'.

Alston also noted that social security systems are increasingly being privatised, which is leading to service outsourcing, social insurance marketisation, commercialising administrative discretion and paying by results.

'These approaches empower private for-profit actors to make determinations about the needs and capacities of individuals, incentivise them to do so within a corporate rather than a public goods framework, and reward spending reductions rather than the achievement of positive human outcomes.'

Infrastructure projects will be most attractive to private providers where significant user fees can be charged and construction costs are relatively low. But the poor are badly placed to pay, cannot afford to use many services, and often live in distant or otherwise under-served areas.

Water, sanitation, electricity, roads, transport, education, health-care, social services and financial services are far less likely to be provided adequately or at good-quality levels to the poor. Instead, such persons either go without those services or pay even higher prices for substitute services.

The Special Rapporteur noted that institutions and commentators consistently emphasise the importance of developing guidelines to ensure that public-private partnerships achieve the full range of desired objectives. But in fact, truckloads of guidelines have already been adopt-

ed, and most ignore human rights in any comprehensive sense and pay scant regard to the negative outcomes that privatisation can have in terms of poverty and inequality. A recent review of 12 sets of guidelines found that they focus mainly on transactional aspects, overlook gender concerns and ignore other relevant environmental and social safeguard policies.

The need for new strategies

The Special Rapporteur underlined that new strategies are required in rethinking the human rights implications of privatisation. These should include acknowledging past inadequacies, reasserting basic values, re-legitimising taxation, reclaiming the moral high ground, and resetting the default setting of privatisation.

He said that few problems can be resolved without first being acknowledged. The patent inadequacies of existing responses to the dramatic spread of the privatisation of formerly public goods and services must thus be recognised.

Procedural fixes have not worked precisely because privatisation is a philosophy of governance rather than just a financing mechanism. A new strategy therefore needs to be focused first and foremost on basic values. According to the rights expert, the human rights community needs to reassert the centrality of concepts such as equality, society, the public interest and shared responsibilities.

Alston noted that since the 1980s, neoliberals have undertaken highly successful efforts to delegitimise taxation. The rise of privatisation has reinforced this thrust. As corporations become more politically powerful, they exert greater pressure for lower corporate tax rates, expanded tax concessions or exemptions, and wider loopholes to facilitate tax avoidance.

'Human rights groups need to highlight the dire consequences, not just for inequality but for human rights in general, of starving Governments of revenue. They need to make the case in favour of a balanced and progressive fiscal regime in the interests of society at large.'

The longer-term challenge, which human rights actors certainly cannot achieve on their own, is to reverse the presumption, now fully embraced by actors such as the World Bank, that privatisation is the default setting and that the role of the public sector is that of a last-resort actor that does what no one else can or wants to do.

Human rights groups need to begin systematically addressing the implications of privatisation and documenting and exposing situations in which privatisation has generated rights-deficient outcomes, said Alston.

The challenge is to uphold human rights standards, and not just to ask whether public or private actors have performed better.

While in theory privatisation is neither good nor bad, the ways in which it has most often occurred in recent decades and the ideological motivations driving much of it call for a different set of responses from the human rights community.

According to the Special Rapporteur, immediate steps should be taken to:

- Insist that appropriate standards be set by public and private actors involved with privatisation to ensure that data on human rights impacts are collected and published, and that confidentiality carve-outs are strictly limited;

- Undertake systematic studies of privatisation's impact on human rights in specific areas, and on poor and marginalised communities;

- Insist that arrangements for the privatisation of public goods specifically address the human rights implications; and

- Explore new ways in which treaty bodies, Special Procedures, regional mechanisms and national institutions can meaningfully hold states and private actors accountable in privatisation contexts. ♦

Kanaga Raja is Editor of the South-North Development Monitor (SUNS) published by the Third World Network. This article was first published in SUNS (No. 8797, 16 November 2018).

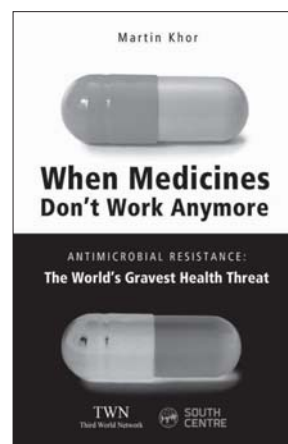
When Medicines Don't Work Anymore

by Martin Khor

Antibiotic resistance, now widened to be called antimicrobial resistance, is the world's greatest public health risk and threat. We are now so used to using antibiotics that it is almost unthinkable what would happen to our state of health if there were none available. Or if the antibiotics don't work anymore.

Health leaders are sounding the alarm bell. The Chief Medical Officer of the United Kingdom has warned of a looming "catastrophe" so widespread that we would be back to a pre-antibiotic era when many diseases could not be treated. The World Health Organisation's then Director General has said the world is heading towards a post-antibiotics era in which common infections such as strep throat or a child's scratched knee could once again kill. It may even bring the end of modern medicine. And heads of states and governments in 2016 adopted a landmark Political Declaration recognising that antibiotic resistance is the "greatest and most urgent global risk".

This book is a collection of articles written over two decades, tracing the antimicrobial resistance problem as it evolved through the years into a full blown crisis. It also contains the author's speaking notes at the UN General Assembly summit-level special event on AMR. It provides news and opinions in popular language on various aspects of AMR, as the problem emerged and then developed into the present day public health catastrophe.



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An international court is investigating the US and UK's mass expulsion of indigenous islanders

Long ignored by the media, the people of Chagos struggle relentlessly to reclaim islands that the US and UK stole for a military base.

**Patricia Miguel and
Ana Marrugo**

CAN you imagine being forced out of your home, your land, shipped to an unknown territory with no job and none of your belongings except the clothes on your back?

That is the story of the Chagossian people. They are the little-known victims of two colonial powers, the United Kingdom and the United States, whose governments manipulated diplomatic rules and colluded to remove the Chagossians from their Indian Ocean homeland to create a major US military base on the island of Diego Garcia. The two governments have gotten away with this injustice for the past 50 years despite the Chagossians' valiant efforts to return home.

Now, for the first time, the International Court of Justice (ICJ) is examining the deportation of the Chagossians and Britain's 1965 decision to separate the people's Chagos Archipelago from colonial Mauritius in preparation for the expulsion. The case could have significant implications for the US military, for Mauritius, which is challenging UK sovereignty over the British Empire's last-created colony, as well as for this long-ignored group of refugees.

The Chagossians and their African and Indian ancestors had lived on the beautiful tropical islands of the Chagos Archipelago since the late 18th century. They lived there until



Chagossians demand the right to return home in a protest in front of the British Parliament.

the late 1960s and early 1970s, when the US and UK governments uprooted them from their homes and separated them from almost all their possessions and their livelihoods. The governments removed the Chagossians to build what has become a major US military base, which has played key roles in the 1991 and 2003 US-led Gulf Wars in Iraq and the US war in Afghanistan.

The case before the ICJ in The Hague has been brought by the former UK colony of Mauritius, which is challenging Britain's decision in 1965 to separate the Chagos Archipelago from Mauritius as Mauritius was gaining its independence. In June 2017, the UN General Assembly ruled overwhelmingly – despite UK and US opposition – to send the case to the International Court. (A decision by the ICJ is expected in March 2019.)

Few people in the United States

or elsewhere know the story. Upon learning about the Chagossians, many reply: How is that possible? I can't believe I haven't heard about them.

Once we learnt what the Chagossians and their supporters do every day to claim their right to return home, we began to wonder why media outlets aren't speaking about this human rights violation more frequently.

In order to understand the hushed nature of the story, it's important to look back on how the two governments agreed on the construction of the US military base on Diego Garcia.

In 1965, the UK used its colonial power over Mauritius to 'exclude' the Chagos Archipelago from the Mauritian territory – disregarding UN conventions. This allowed the British government to keep control over the archipelago. In turn, US officials conspired with their British counterparts



The US and UK governments removed the Chagossians to build a major US military base on Diego Garcia (pic), the largest island in the Chagos archipelago.

to remove approximately 1,500 Chagossians. In a 1971 memo, US Navy Admiral Elmo Zumwalt gave the definitive order that would condemn Chagossians to exile: 'Absolutely must go.'

Following the secret negotiations, the US government spent \$14 million to relocate the Chagossians to Mauritius and the Seychelles. The two governments withheld the Chagossians' expulsion from Congress, Parliament, the UN and the media.

This pattern of keeping the truth about the Chagossian exile in the dark continues today. If the media remain silent, they become accomplices to the crimes these two world powers are committing against the Chagossians.

Let us not overlook our society's tendency to forget in the face of tragedy. The Chagos Archipelago sits

some hundred miles away from the UK and some thousand miles away from the US, which makes it easy to remove any element of humanity from the exile. This insensitive perspective allows the British bureaucracy to treat them as a minor hindrance and the US to avoid their responsibility in this crime.

Consider, as well, that the Chagossians have decided to play within the judicial realm of the two governments. But when the rules are dictated by those in power, the outcome is already set. By staying quiet, the media have played into this game of the powerful, a game that dehumanises those involved. After all, shouldn't the media be a tool to uncover the injustice and tip the balance in favour of the marginalised?

After 50 years of protests, strikes

and legal battles, some Chagossians have only received: negligible and inadequate compensation, short trips to restore the cemetery where their loved ones rest, and repeated dismissals in court proceedings.

In the US, few people know about this crime that their government has been perpetrating for 50 years because the Chagossian struggle has received little media coverage: a feature in *60 Minutes* (2003), an article in the *Washington Post* (2007), a story on National Public Radio (2015) and a handful of op-eds. Are there too few Chagossians for their exile to be considered a tragedy? Is their homeland too far away from the US that they do not deserve massive outrage? Are the colonialist voices more important than the colonised?

It is time for us to think about what is newsworthy in this country. While major media outlets in the US are covering the government's role in other international affairs, they are ignoring the fact that for the last 50 years the US and the UK governments have been the perpetrators of an ongoing human rights violation.

With the case before the International Court of Justice, an opportunity arises for the Chagossians to get justice and for the world to know about the crimes committed against them. A victory for Mauritius would demonstrate the illegitimate nature of the UK's sovereignty over the Chagos Archipelago and would offer further proof of the unlawful deal between the British and US governments.

Although the Court's opinion is non-binding, it is an opportunity for the international community and all of us to show our solidarity with the thousands of displaced Chagossians and take a stand against continuing human rights violations sponsored by modern colonialist practices. Chagossians demand the right to return home. Being silent is not an option in the face of this injustice. ♦

Patricia Miguel has an MA in Public Anthropology from American University, where Ana Marrugo is an MA candidate in the same. This article is reproduced from Foreign Policy In Focus (fpif.org) under a Creative Commons licence.



Turtle Cove on Diego Garcia.

Women are key to fixing the global food system

Traditional power structures in the food system commonly ignore or undervalue the vital roles women play. Women need to be recognised for their part in feeding the world today, as well as empowered to grow their contributions into the future.

ACCORDING to the UN Food and Agriculture Organisation, women make up about 43% of the agricultural labour force worldwide, and in some countries they make up 80% of all farmers. In addition to tending crops, most women – particularly in the Global South – are also responsible for seed saving, animal husbandry, grain processing and other tasks related to growing food. This is in addition to cooking, cleaning, and taking care of sick elders and children.

It's women farmers who produce the food that families eat. While male farmers often focus on growing commodity crops like maize, rice and soybeans, women raise the fruits, vegetables and small livestock that nourish families each day.

But if women had the same access to resources as men, they could raise their current yields by 20-30% – this would lift as many as 150 million people out of hunger. So when considering the global food system crisis, women should be uppermost in mind.

Nourished Planet, a book put forth by the Barilla Center for Food & Nutrition, highlights stories of success through women's efforts in agriculture throughout the world. Examples range from female PhD students from Jamaica developing workshops for small farmers on climate-adaptive irrigation strategies to women dairy farmers in Ghana starting a co-op to pay for their children's healthcare and education.

Danielle Nierenberg and Emily Payne



'Women raise the fruits, vegetables and small livestock that nourish families each day.'

The book goes on to highlight that, across the globe, women often have little agency over their own lives. They often lack the same access to resources – such as land, banking and financial services, education, and extension services – as male farmers. And in many countries, women aren't allowed to own land or even inherit their land.

As farmers across the globe are aging, women need to be able to take their rightful role as leader of their land, farm and family. The average age of the American farmer is 57 years; in Africa, the average farmer is 60. When their husbands die, we need to ensure that the women of these households are able to maintain the land they have grown, cultivated and lived on for often many generations.

Traditional power structures in the food system commonly ignore or undervalue the vital roles women play. Women need to be recognised for their part in feeding the world to-

day, as well as empowered to grow their contributions into the future.

Across the globe, women are taking matters into their own hands by forming cooperatives and non-governmental organisations and innovating their way to a sustainable future.

The Women in Agriculture programme in Nigeria is connecting women to vital extension services, and the Women Advancing Agriculture Initiative advocates for gender equality and access to information for women in Ghana. In America,

the Women in Food & Ag Network is striving to create a global network to provide opportunities for education on economics and environment that promote a holistic view of agriculture.

Women farmers are letting governments, policymakers, and their own husbands, brothers, fathers and sons know that we ignore women in the food system at our own peril.

A more economically viable, environmentally sustainable and socially just food and agriculture system around the globe is within our reach. But it is essential for farmers, consumers, businesses, policymakers, academics, funders and anyone interested in contributing to a food system to value and support women to continue to grow our food, nourish our bodies and planet, and innovate for food system change. – IPS ◆

Danielle Nierenberg is Founder and President of Food Tank. Emily Payne is a food and agriculture writer based in New York.

Until his tragic death in an air crash, *David Diop* (1927-1960) was regarded as one of the most talented and promising of the younger generation of poets associated with the cultural movement known as Negritude. This movement was devoted to defining and expressing the special, distinctive cultural characteristics of black people and then to asserting the worth of those characteristics. Much of Diop's poetry reflects his strong anti-colonial stance.

Africa

David Diop

Africa my Africa
 Africa of the bold warriors roaming ancestral plains
 Africa whose praise my grandmother sings
 Beside her distant river
 Never have I known you
 But my glance is filled with your blood
 Your fine black blood scattered over the fields
 Blood of your sweat
 Sweat of your toil
 Toil of your enslavement
 Enslavement of your children
 Africa tell me Africa
 Can this be you this back that bends
 To cringe beneath the burden of humility
 This trembling red-striped back
 That says yes to the lash along the noonday path
 I heard a voice gravely reply
 O my impetuous son that robust tree
 That young tree standing there
 Proudly alone among the white and faded flowers
 That is Africa your Africa growing again
 Growing again patiently stubbornly
 Your Africa whose fruits little by little
 Take on the biting taste of liberty.

Translated from the French by Norman R Shapiro