

## The Ebb of the Pink Tide

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The Decline of the Left in  
Latin America

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# Introduction

## *Neo-liberalism on the attack*

Nautical metaphors can be risky; comparing social processes to the movement of the tides might suggest that the rise of Latin America's left governments, and their subsequent crises, belong to a natural cycle. It would be an absurdly inaccurate explanation for the complex and profound political developments with which this book is concerned. Indeed, it seems to me that the term 'pink tide' has an ironic, critical implication. It was first coined in 2006 by the New York Times correspondent in Montevideo, Frank Lehrer, in reference to the government of Tabaré Vázquez in Uruguay, with more than a hint of mockery as if the election of left governments in several Latin American countries was all sound and fury, signifying nothing. Diane Raby subsequently attributed the phrase to Hugo Chávez, which is an error, but one intended to invest it with a more positive meaning. But the reality is that it has now been generally adopted as an analytical tool in the discussion and interpretation of the experience of left governments in Latin America, which may prove to be unhelpful.

The process begins, by common consent, with the election of Hugo Chávez to the Venezuelan presidency in 1998. Reflecting back on that moment from the perspective of 2018 is a demoralising experience. Hugo Chávez died in bizarre circumstances in 2013, to be succeeded by Nicolás Maduro who has overseen what is undeniably the catastrophic collapse of the Venezuelan economy, and whose government represents, to me at least, a grotesque parody of the society promised by the Bolivarian revolution. Rafael Correa, a relatively late recruit to the Bolivarian project, has left the presidency of Ecuador to which he was elected in 2007, denouncing many of the social movements that carried him to power. Bolivia continues under a government led by Evo Morales, a figure as representative of the Bolivarian project as Chávez himself; but the grassroots rebellion that carried him triumphantly to the Casa Quemada in La Paz has fragmented, with many of its components distancing themselves from

Morales. In Argentina, the administrations of Néstor and later Cristina Kirchner, inheritors of the Peronist mantle, promised – beginning in 2003 – a progressive project in the wake of the mass protests embraced by the *Argentinazo* of December 2001. It ended with an election in 2015 which brought to power Mauricio Macri, a trenchant advocate of neo-liberal strategies which he is imposing on the country with relentless determination. And in Nicaragua, as the 40<sup>th</sup> anniversary of the 1979 Sandinista revolution approaches, Sandinista police and military are firing live bullets at demonstrators protesting at austerity policies imposed by Daniel Ortega, the leader of the Sandinista revolution now reborn as an authoritarian ruler. He has delivered the country into the hands of Chinese multinationals intending to build the transoceanic canal which has regularly re-emerged as a dream project for multinational capital.<sup>1</sup>

There was nothing predestined or inevitable about these developments; no simple movement of the tides. The corruption and centralisation of power that have accompanied them are not attributable to human nature or the character of certain leaders. There are features common to each national experience – above all the turn back towards extractivism. There are also elements which have to do with the specific history of each nation and its state formation. And in every case the particular characteristics of its bourgeoisie, the history of the class struggle and its many and different manifestations, interspersed with issues of race and tradition, and with the internal contradictions within the left, combined in different ways. It is important to identify these particularities, as well as the impact and influence of external forces, in particular the U.S. government and multinational capital, a category which today must include China and Russia as material actors in Latin America. The concept of a ‘pink tide’, therefore, can identify the common framing conditions, but the specificity of each experience alone can allow us to discuss how to overcome the present circumstances, and continue the process of social transformation whose first steps were marked by the early flow of the pink tide.

It is instructive to cast our mind back to the moment of Chávez’s election to the presidency, or perhaps more significantly to the Cochabamba Water War that inaugurated the twenty-first century. Both marked an ending and a beginning, or at the very least a turning point in global politics, though that would only become clear after the event.

It was the ending of a decade which had begun with the collapse of the Soviet bloc and the final demise and exposure of what was left of the

Stalinist project, whose implications and effects would resonate through the post-1989 decade. It was not, as Francis Fukuyama<sup>2</sup> alleged, the end of history but the uncertain and tentative beginning of a new and different history whose polarities were multiple and which could no longer be defined, however falsely, in cold war terms. The 1990s were a decade in which a newly confident and ruthless capitalism continued to extend its reach across the planet – leaving devastation in its wake. Neo-liberalism did set out to impose its model on Latin America, through its financial agencies – the International Monetary Fund (IMF) in particular – subverting national states and setting out to integrate the individual economies into a regional and ultimately global project.

This neo-liberal assault was variously concealed behind notions of ‘austerity’, ‘structural adjustment’ and ‘the anti-poverty programme’. For the region, the net result of the 1990s, the decade of globalisation, was a dramatic rise in levels of poverty, the displacement of millions and the weakening of the national state, as public resources were privatised. The signposts along this new route included the Venezuelan urban rising known as the *Caracazo*, the bargain sale of Argentina’s public assets by Peronist president Carlos Menem in 1990, the dollarisation of the Ecuadorean economy and the declaration of the North American Free Trade Area (NAFTA) in 1994, whose triumphalist inauguration was overshadowed by an insurrection in the southern Mexican state of Chiapas led by the Zapatista National Liberation Army (EZLN).

It is important to emphasise that the 1990s were a decade in which the destructive progress of neo-liberalism across the region was met by resistance and protest. The left governments did not emerge out of the blue. They were not forged in the mind of some prominent individuals, nor by the corporate manipulators of global electoral campaigns. The first imposition of structural adjustment policies was marked by an urban uprising across Venezuela beginning on 23 February 1989; the *Caracazo* cost hundreds of lives at the hands of the state. It is widely regarded as the starting point for the process that brought Chávez to power in 1998. A year later, in Ecuador, the indigenous organisations, having forged a new combined instrument of resistance, the Confederation of Indigenous Nations of Ecuador (CONAIE), launched a nationwide rising. The Zapatista insurrection and its occupation of San Cristóbal de las Casas, state capital of Chiapas, in 1994 were a defiant and explicit answer to the formation of NAFTA. The journalists gathered for the press conference of the three NAFTA presidents – Bill Clinton, Carlos Salinas de Gortari of

Mexico and Brian Mulroney of Canada – were caught unawares by the events in Chiapas, and apparently ignorant of the long history of conflict between the indigenous communities of the Lacandon Forest and the powerful cattle-raising interests that had systematically encroached on their land during the previous decade. The balaclava-masked barefoot troops waving what were mostly wooden rifles seemed to emerge from the mists of a very different world. But however different they may have seemed, however remote from the modern metropolis of Mexico City, they were the direct and immediate victims of neo-liberal global expansion, just as the occupants of Caracas slums had been. They represented the extremes of a global reality.

The peasant communities of Chiapas grew maize, their principal food staple, on their small plots. The rules of the World Trade Organization (WTO), the regulator and overseer of the global market, made it a condition of external investment that state subsidies should be eliminated, characterising them as restraints on trade and unfair protective measures. The agricultural economy of Chiapas was dependent on government subsidies; the small local maize growers could not compete on price with the maize imported from the United States, the world's largest maize producer. The direct cause of the impoverishment of the small maize growers of Chiapas was neo-liberal capitalism. The victims of the global system, however, were rarely seen, still less heard – at least until Chiapas.<sup>3</sup>

By a wonderful irony, this isolated corner of Mexico was able to communicate directly and immediately with the world through the recently created world wide web. That was certainly not the purpose for which it had been set up shortly before by the U.S. military! And this despite the fact that half the households in the communities had no access to electricity or running water.<sup>4</sup> Their leadership included the mysterious Subcomandante Marcos, who it would much later emerge was an ex-philosophy lecturer from Mexico's Metropolitan University and a Maoist. He was also a brilliant communicator with a comprehensive grasp of the realities of the global capitalist system as well as being simultaneously embedded in the popular culture of the indigenous communities to which he had relocated with a small Maoist group in the early 1980s. His several personas<sup>5</sup> spoke as directly to the indigenous people of Mexico as they did to the urban youth movements like the Metropolitan Indians in Italy. Marcos' 'Dispatches from the Lacandon Forest'<sup>6</sup> are lengthy and well informed indictments of neo-liberalism



which were read across the world, escaping the physical encirclement to which the Zapatistas had been subjected within weeks of their rebellion by the Mexican army.

## Beginnings

The Caracazo and the Chiapas uprising were symptoms of the aggressive new phase of global capitalism that neo-liberalism represented. They were the voice of the millions of poor and working class people who would be driven from the countryside into the swelling urban *barrios*; the unemployed workers who would lose their jobs as a result of a world-wide 'rationalisation' of production in the cold neutral tones of late twentieth century capitalism, replaced by new technology on the one hand and by the mobility of capital on the other; the state workers dismissed from employment in public institutions drained of public investment by the rules of the WTO, and many others.

The paradox is that in Latin America, the 1980s had coincided not only with the final demise of Stalinism but also with a 'return to democracy' – the end of the military regimes which had prevailed through most of the previous decade. The Pinochet regime in Chile, which overthrew Salvador Allende's Popular Unity government on 11 September 1973, opened the door wide to the first generation of neo-liberals, the so-called 'Chicago Boys' who had sat at the feet of Milton Friedman. The referendum which rejected Pinochet's plan for continuity in 1989 did not usher in a radical new direction, nor even a return to the development agenda that Salvador Allende had presented to the country with his Popular Unity coalition in 1971, and which the military regime had destroyed and replaced. The 'democracy' to which Latin America was now returning was not in any sense the social democratic model drowned in blood in Chile on 11 September 1973.<sup>7</sup> In Argentina, the military regime of Videla had been formally removed from power in 1983 – but any expectation that justice would be done, their crimes and violence denounced, and their subordination to the interests of global capital replaced by some variant of social democracy, was soon disappointed. The government of Raul Alfonsín's Radical Party surrendered to military pressure and passed a 'Punto Final' law in 1986, drawing a line under the responsibilities of the military regime. It effectively gave immunity to those directly responsible for the Dirty War of 1976–83, and the murder of 30,000 people in its seven years. Alfonsín followed it up with a Due Obedience statute which exonerated

the torturers. By 1990, a Peronist president, Carlos Menem, delivered the national economy to multinational capital, selling off all the state's assets and enterprises in a giant bargain sale. So much for the return to democracy! In Chile, Pinochet's privatised economy continued under the Christian Democrat Patricio Aylwin; Pinochet and his circle were given immunity from prosecution and his economic holdings assured. It seemed that very few people remembered that Aylwin had publicly discussed a coup against Allende in 1972–3, though he had favoured what was called 'the soft coup' – that is, using economic rather than military instruments to bring down the Popular Unity government.

In 1989 after a referendum that year had rejected his continuation in power,<sup>8</sup> Pinochet left the presidential palace in Santiago, though he remained a senator for life with parliamentary immunity. It was in the same year that Carlos Andrés Pérez, standing in the presidential election in Venezuela, dismissed the austerity measures demanded by the IMF, and then imposed them within a few weeks of his election. The result was the Caracazo, the insurrection of Venezuela's poor against the programme – a key moment in the evolution of the pink tide, to which we shall return.

In Chile, Aylwin and the Christian Democrats were able to bury their earlier advocacy of Allende's overthrow among the forgotten chapters of recent history. The political formation that returned them to power, the Concertación, was a coalition between conservative, liberal and socialist parties that had severed their links with any radical legacy and represented a conservative neo-liberal alternative. The democracy into which they had entered referred only to the return to bourgeois democratic institutions and to the state as providing infrastructural support and disciplinary control on behalf of a multinational capital preparing its new interventions in the far more amenable circumstances of post-dictatorship Latin America.

Pinochet's was perhaps the last authoritarian regime to fall. But the democracy it ushered in was limited to formal electoral processes. In economic terms, neo-liberalism had opened frontiers and re-imposed the dominion of capital across the continent as Menem's privatisation made clear. The early 1990s extended the process of privatisation with the accompanying liberalisation of the economies. Friedman's free movement of capital ensured that privatisation would, in the main, signify what might be called the 'transnationalisation' of the Latin American economies. In political terms it marked the definitive failure of dependency theory<sup>9</sup> to launch a strategy of national development through

import substitution industrialisation. The Popular Unity strategy would never return, whether or not Pinochet remained in power.

The political implications were profound. If much of the left, decimated during the authoritarian period, continued to hold to some variant of dependency theory, with its consequential role for a national bourgeoisie, the neo-liberal period exposed the fallacy of a developmentalism that rested on alliances with the bourgeoisie, 'national' or otherwise. The state of the 1990s was an agent of multinational capital, its role limited to social control and sustaining infrastructure. Its other role – the provision of social services and public sector investment – would now be redefined in the neo-liberal framework as restraint of trade, and those functions and services privatised. The WTO was set up in 1994 – though its baptism was a quiet affair and made little impact on the political debate at the time. That would change at Seattle in 1999 when it was unmasked before the world by what, in hindsight, seems a small demonstration of 70,000. Its numbers, however, were less important than its composition, 'teamsters and turtles'; the siege of the WTO brought together trade unionists, human rights groups, environmental organisations, anti-sweatshop coalitions, anti-militarists, and supporters of the Zapatistas. It was one of the first formal outings of the anti-capitalist movement.

The WTO was setting the rules and conditions for the conduct of a new unipolar world, using patent law and intellectual property aggressively to restrict and control conditions in the world beyond the United States and Europe. Its first intervention was to impose severe restrictions on state intervention in the economy, which was characterised as interference with the free movement of capital.

This moment of capitalist overconfidence – characterised with familiar modesty as 'the end of history' – coincided with the collapse of Eastern Europe. Yet it would become clear very quickly to what extent Stalinist strategy still dominated across the Latin American left. The conception of a development process conducted in coalition with 'patriotic' sectors of the bourgeoisie still persisted. Developmentalism, after all, was a strategy for achieving capitalist growth and industrialisation shaped by the internal and external market – its rhetoric notwithstanding. Its attendant assumption was that growth would yield a surplus sufficient to fund a welfare state and a limited redistribution. The realities of the 1980s had put paid to that expectation. If Chile told us anything, it was that the bourgeoisie, whatever its internal differentiation, was united around its commitment to capitalist globalisation and its resolute resistance

to redistribution or any authentic involvement of the popular classes in the shaping of political life. Neo-liberalism marked the return of multinational capital in a commodities boom, in which manufacturing industry, such as it existed, was geared towards external markets, and in which the dynamic sector of the economy would in some senses return to the pre-import substitution era. It was once again the oilfields, the mines, and the vast estates of export agriculture that would be the main source of income for the state in Latin America. The local bourgeoisie would enter into partnership with multinational capital (and it was now truly multinational) in the new media conglomerates and in the marketing of consumer goods, the new technology and the luxury items that this newly prosperous capitalist class would demand for its own consumption.

The neo-liberalism of the 1990s and globalisation, however, also represented a profound political crisis. Endogenous growth slowed dramatically, and the export and extractive sectors were the only growth areas.<sup>10</sup> The defeat in Chile in 1973, the devastating repression in Argentina during the Dirty War (1976–83) and the silence that settled on Uruguay after 1973 condemned a revolutionary generation to the depths of the ocean, the concentration camps and torture centres, or to exile. The armed struggle strategy linked to the name of Guevara entered into decline after his death in Bolivia in 1967. It was ostensibly still in place and hegemonic, in Colombia on the one hand and in Central America until the victory of the Sandinistas in Nicaragua. Yet the continuing domination of Stalinism ensured that the strategic project remained the conquest of the state, and the dominant politics electoral, despite the Chilean experience. The focus on taking power in the state remained central. The exceptions were Central America, where armed popular resistance was shaping the struggle in Guatemala and El Salvador, and Colombia, where the FARC in particular controlled large areas of the country. But its strategy was not the Guevarist foquismo, the creation of small and flexible units of armed revolutionaries based in the more inaccessible areas. Its origins in the peasant defence committees formed in the wake of the insurrection of 1948 gave its war with the Colombian state a mass character and direct military and political control of significant areas of the country – its war, therefore, was a war of position rather than a war of manoeuvre.

In Central America too the guerrilla strategy had a mass character. In Guatemala by the early 1970s, it was the armed resistance of the

indigenous communities. In El Salvador it was built upon peasant resistance but with significant roots in the urban centres, particularly the capital, San Salvador. In Nicaragua, the Sandinista Front was committed to the military overthrow of the Somoza dictatorship from its foundation in 1963. Its political leadership at its foundation – Carlos Fonseca, Tomas Borge and Silvio Mayorga – were all members of the communist party and their successful demolition of the Somoza dictatorship was not in a real sense a military victory but a political one. The political and symbolic impact of the FSLN's presence, and its spectacular actions like the occupation of the national parliament building which they held hostage until they won passage to Cuba, exposed the weaknesses of the dictatorship. But in strategic terms, the end of Somocismo was achieved by a Sandinismo dominated by a popular front conception, the forging of an alliance with the bourgeois opposition to Somoza engineered principally by Daniel Ortega.<sup>11</sup> Though political memories are sometimes surprisingly short, the Sandinista victory was not expected. The process of resistance was more advanced in El Salvador, the mass struggle in the countryside and the city more clearly coordinated there – though there were internal conflicts within and between the guerrilla organisations.<sup>12</sup> The expectation in 1979 was that the struggle in El Salvador would produce a major leap forward. In fact, a quarter of a million marched through the capital in January 1980, carrying arms and chanting the slogans of both the armed groups and the political and trade union organisations.

But the course of events, and the hegemonic strategy on the Central American left, was dramatically changed by the Sandinista victory of 19 July 1979. The Sandinista project had changed in the year preceding that victory when an internal political battle within the FSLN was definitively won by Daniel Ortega and his Tercerista (Third position) faction. Its arguments for a coalition with middle class anti-Somocista forces had prevailed over Tomas Borge's Prolonged Popular War faction and Jaime Wheelock's Proletarian Tendency. While the final blow against Somoza was probably the rising in the *barrios* of the town of Masaya, the Sandinistas were in fact not present at its beginnings – the three factions had stopped communicating with one another at the time. The youngest of the Ortegas, Camilo, was sent to establish connections with the insurgents; unfortunately he was killed there.

As a consequence of the overthrow of Somoza, however, it was Sandinismo – and its dominant faction, Ortega's Terceristas – who

enjoyed the authoritative position in political debates about the future direction of the struggle in Central America. Thus it was the pursuit of a unilateral peace process at the expense of regional revolutionary politics built around solidarity that prevailed.

My purpose in revisiting the politics of the 1980s is not simply to locate the pink tide chronologically, but rather to seek out its political consequences for the left in the wake of the collapse of Stalinism and the era of neo-liberal globalisation. There was no avoiding the reality of defeat, with the exception of Nicaragua, or at least the sense of the failure of a socialist project that had focussed on the conquest of state power in order to pursue a programme of independent development built from the state. But the organisational expressions of that strategy had failed across the continent, and its representatives would return in the early 1990s to a role in a state with limited and conditioned powers subordinated to the control of the global agencies of capital and the multinationals. Only Cuba survived, but in conditions of near collapse after its abandonment by the Soviets. In 1991, Cuba was living through a 'special period in time of peace' in which the population was barely surviving and living standards fell catastrophically.

The reality, as John Beverley puts it, was that this was not a new stage so much as a restoration of the domination of the global market.<sup>13</sup> But the additional factor, as we shall see, was that neo-liberalism was committed not just to economic domination but also to cultural and political hegemony – that was one implication of Fukuyama's emblematic book. The electoral defeat of the Sandinistas in 1990 was the direct result of the support for the counter-revolution given by the United States and its economic siege of Sandinista Nicaragua. But it was also the expression of a political failure on the part of Ortega and the Sandinista leadership who had lost a significant proportion of their support as they were increasingly seen as remote from their mass base, and corrupt. The new government of Nicaragua, under Violeta Chamorro, was financed and supported by imperialism and included in the new administration a number of people who had led the *contras*, the anti-Sandinista coalition whose 15,000 armed men were financed and supplied by the United States both directly and indirectly.<sup>14</sup>

The international left had celebrated the Sandinista revolution just eleven years earlier as a turning point in a decade that began with the crushing of the Allende government. The real fragility of the Nicaraguan revolution was rarely addressed, the problem of a revolution conducted