



THE WORLD OSCILLATES BETWEEN CRISES AND PROTESTS



Dossier n° 24
Tricontinental: Institute for Social Research
January 2020

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We live in a time of protests: no country is immune from demonstrations that flood the streets and make demands upon structures that are deaf to the needs and aspirations of the people. Millions of people experience the pain and indignity of unemployment and cuts in State spending on education, health, poverty alleviation, and elderly care. The slogans are in different languages, but the meaning is the same: we refuse, we resist, we will not tolerate the plague of austerity.

Our January dossier provides a quick overview of planetary affairs (Part 1) and more detailed reports from our offices on their respective regions: South Africa, India, as well as the Caribbean and Latin America (Part 2).



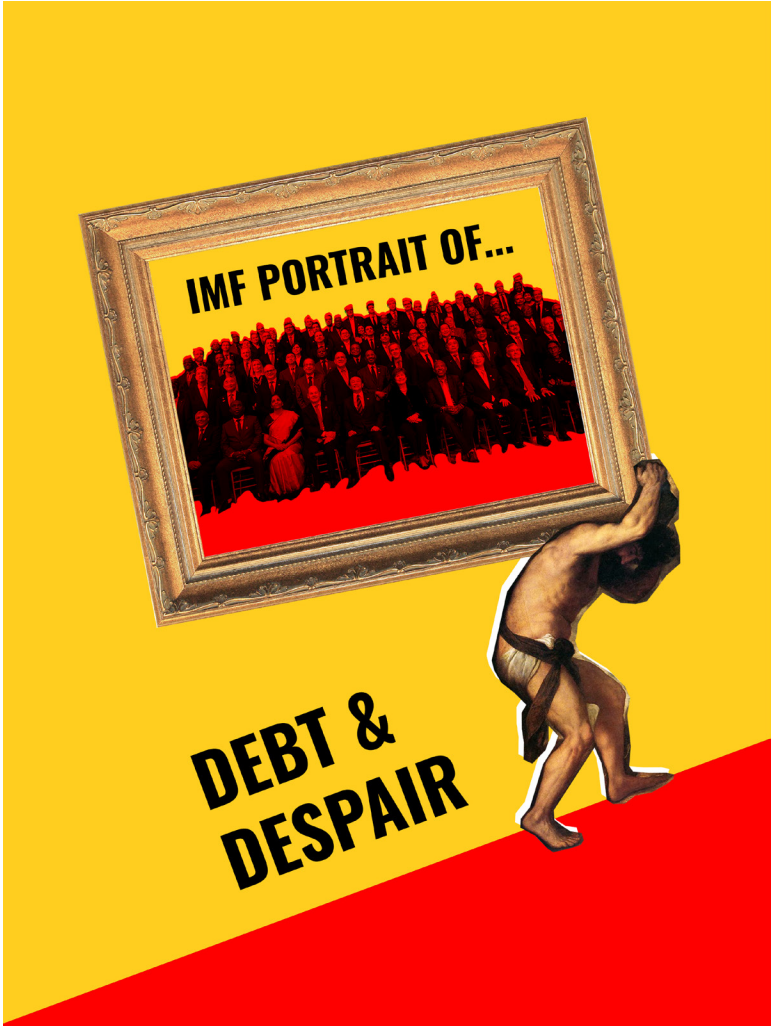
Part 1. Debt and Despair

During the credit crisis a decade ago, the United States government led a global effort to raise funds – largely underwritten by the US Federal Reserve Bank – to stabilise financial markets and prevent a total collapse of the financial system. The urgency was palpable, with conferences held at regular intervals to get countries with financial surpluses to put money towards the bailout of financial institutions. No such urgency has been displayed towards the acute problems of unemployment, hunger, disease, and the general cannibalisation of social institutions. No infusion of capital has swept in to feed the almost 1 billion hungry people across the planet. According to the Global Hunger Index (2019), 43 of 117 countries have levels of hunger that are marked as ‘serious’. High use of toxins on crops and worsened nutritional value of cultivated food threaten to increase the number of people who are deficient in zinc and suffer from protein deficiency. There has been no serious conference of world leaders to address this issue; nothing like the panic that ensues when financial markets quiver.

Reports from central banks and from the UN agencies suggest that the period ahead in the West and in the Global South will be characterised by low investment of capital into the manufacturing and service sector, stagnant productivity in most fields, and consequentially low growth rates. Low global growth rates and low investment deepen problems of employment and further the collapse of social institutions.

The International Monetary Fund (IMF) anticipates that a global slowdown could take place as early as 2021. In its *World Economic Forecast* (October 2019), the IMF projected global growth for 2019 at 3.0 percent, 'its lowest level since 2008-09', with a marginal increase in 2020. This marginal increase is based on expectations of improved economic activity in 'Latin America, the Middle East, and emerging and developing Europe'. Hope rests on recoveries in Brazil, Mexico, Hungary, and Poland, as well as on Saudi Arabian oil exports. This is a fragile hope from the IMF. Parts of these regions have been engulfed in the wave of protests, whether across Latin America, North Africa, or West Asia.

From the IMF, and from its allied policy advocates, comes the narrowest solution for the planet: continue with the policy of austerity domestically and end the trade tensions internationally. This is an incoherent policy position, since it does not appreciate that the trade tensions are a mirror of the hollowing out of society by austerity. One has led to the other, and they both feed on each other.



The Age of Austerity

The age of austerity opened up about fifty years ago with the surrender of much of the Third World to the escalating global debt crisis and the dissolution of the Soviet Union. Under pressure from the debt crisis, and with little other access to finance, the Third World was strong armed into adopting policies of austerity. Several developments are important to highlight for the production of the age of austerity.

1. *Technological*. Capitalism, which has global ambitions, had been constrained by certain technological limitations. These limitations have now been overcome. They include:
 - a. High quality telecommunications systems that have united the world in real time.
 - b. Computerisation, which provided firms with the ability to manage complex databases, and therefore to coordinate logistics.
 - c. Efficient logistics and standardisation. The arrival of containers for shipping cut time down for transportation and for the distribution of goods. The International Organisation of Standardisation's stringent rules made it possible to source goods from any part of the world; grades of electric cable and types of glass become standard.

2. *Political.* The weakness of the USSR and of the Third World after the economic and political crisis in the Warsaw Pact countries, and after the Third World debt crisis, meant that a challenge to capitalism in international institutions dwindled – particularly regarding trade, development, and labour. As the USSR collapsed and the Third World surrendered, millions of workers were delivered to capitalist firms.
3. *Economic.* These hundreds of millions of workers competed with each other, allowing wage arbitrage to become a central aspect of the work of firms. The *disarticulation of production* (which we discuss in our [Working Document 1: In the Ruins of the Present](#)) allowed transnational firms to rely upon sub-contracted manufacturing, which meant that these firms neither invested in production nor did they take any risk; that was borne by sub-contractors in Third World countries. Profit margins for the transnational firms ballooned, even as growth rates typically stagnated.
4. *Social.* These transnational firms and their sub-contracted entities began a decades long [tax strike](#); the amount of money squirreled away in tax havens increased dramatically. The Tax Justice Network estimates that the total amount of wealth hidden in tax havens is \$32 trillion – an amount that is worth four and a half times the total value of gold that has been mined and is in circulation anywhere in the world. The removal of so much social wealth, so much privately accumulated surplus value from social production, came at the same

time as Third World governments – under pressure from the US Treasury Department and its allies – pushed against deficit spending and for balanced budgets. With less tax revenue coming in, and with a wall against deficit spending, States – with various political orientations – made massive cuts, not on military spending but on the social side, with health care, education, elderly care and poverty alleviation seeing the most substantial cuts.

5. *Austerity*. The world of austerity fractured society, putting enormous pressure on whatever social forms were able to survive capitalism's undermining of the institutions that produce communities. Protests were inevitable. The 'IMF Riots' that began in the 1970s – the first in Lima (Peru) in 1976 – rattled the establishment. These riots would escalate into the 1980s, a particularly dangerous one in Indonesia in 1985. Tom Clausen of the Bank of America took charge of the World Bank from 1981 to 1986 at the height of these IMF riots. He recognized their importance. 'When people are desperate, you have revolutions', Clausen said. 'It is in our own evident self-interest to see that they are not forced into that. You must keep the patient alive, because otherwise you can't effect the cure'. There was no indication that the policy of impoverishment and plunder must change; only that the volume of the theft should not motivate unrest. Austerity and pillage went hand in hand.

The managers of regimes of austerity came from a variety of political backgrounds and oversaw austerity in a range of political orders: there were liberals and conservatives, there were Generals and civilians. By the early years of this century, the main ideological and policy framework of the regimes of austerity was neoliberalism, a framework that favoured the propertied and undermined the social horizons for the majority of humanity. In the crucible of neoliberalism, ideas of privatisation and entrepreneurism as the pathways to success are burnt to a crisp. The weakness of the Left meant that this despair could not be organised into a political force with an agenda for social betterment.

It was in this gap that the neofascists entered. What unites these neofascists is their attitude towards social desolation. Their answer to social problems is to malign the vulnerable: migrants, indigenous communities, gender queers, and others. In our time neofascists have used the ideology of the 'other' to make one section of the vulnerable feel bigger and better. Part of this maelstrom of toxicity is the emergence of the 'trade wars'. For Trump, it is easier to blame Mexico and China for unemployment in the United States than it is to acknowledge the crisis inside the logic of capitalism. South Africa was saved of this neofascist torrent because of the residue of the national liberation movement, which has protected the country – as yet – from that particular malignancy.

The Chief Economist at the IMF, Gita Gopinath, writes in the introduction to the 2019 *World Economic Forecast* that there is 'an

urgent need for policymakers to cooperatively de-escalate trade and geopolitical tensions'. She has in mind the 'trade war' between the United States and China, which has created turbulence in the inter-State trade system (see [Dossier no. 7](#), *The Imperialism of Finance Capital and 'Trade Wars'*). But it is precisely the 'policymakers' who have produced the social basis for this trade war, namely the regime of austerity.

**AU\$TERITY
CUTS.**



BUT ROCK SMASHES SCISSORS.

The Bipolar World

In 2009, five major countries of the world – Brazil, Russia, India, China, and South Africa – formed the BRICS bloc. This bloc is now a decade old. When BRICS emerged, there was much talk of the end of the era of ‘unipolarity’ – with the United States as the anchor for the global order – and of the emergence of the era of ‘multipolarity’. BRICS laid out an agenda to create institutions that were parallel to but different from the institutions controlled by Washington, DC; these included development banks and ratings agencies. Over the course of the decade, three of the BRICS States – Brazil, India, and South Africa – saw major internal transformation. Class fractions committed less to social democracy and more to full-throated neoliberalism; in India and Brazil, neofascism came to power. Such a commitment to neoliberalism, and in some cases neofascism, tilted these States towards subordination to the United States. Any previous hope for BRICS to be a plank of multipolarity began to dissipate.

Professor Yan Xuetong of the Institute for International Relations at Tsinghua University (Beijing) argues that the world order has shifted from unipolarity, with the US at its centre, to bipolarity, with China and the US as the two supreme powers in the world. He argues that the processes of moving to a bipolar system will not be smooth and that the contests will be fierce. The nuclear deterrent will prevent the contest from deteriorating in a military direction. Trade wars and sanctions as well as contests over markets will define the tension. In the interim, ‘chaos and disorder’

will define the world. China, he argues, will not supplant the United States. This is the same verdict as the 2012 report by the US National Intelligence Council, which says that ‘by 2030, no country – whether the US, China, or any other large country – will be a hegemonic power’.

While Brazil, India, and South Africa are no longer major players in the creation of a ‘non-aligned’ or multipolar institutional landscape, Russia has emerged as a partner to China in the move to a bipolar world. China and Russia have come together to help shape this new bipolar system for at least two reasons:

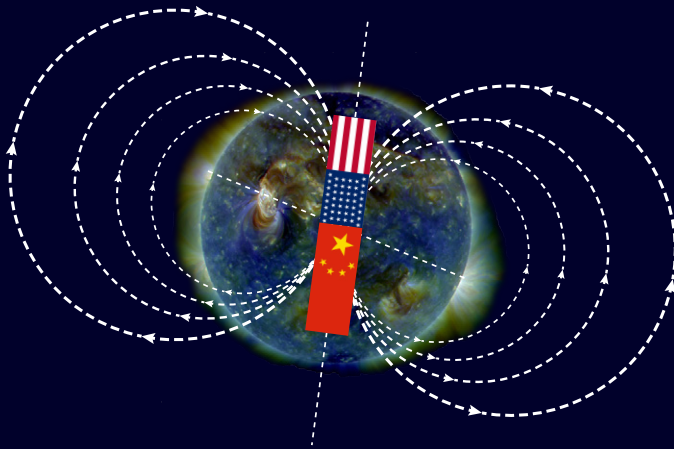
1. There has been a long-term push by the United States and its allies to prod at the sovereignty of both China and Russia – whether through the expansion of NATO towards Russia’s borders or through the aggressive naval strategy of the US, from Japan to Taiwan. This prodding has led to sanctions against Russia, which – isolated from European markets – has sought closer economic ties with China.
2. The United States has attempted to get China to surrender its economic advantages to US firms, resulting in this trade war. China has long sought an escape from the close links to the US market. Among the passages out of the US market have been the Belt and Road Initiative and the String of Pearls Initiative that run across Eurasia and the Indian Ocean. The Belt and Road Initiative has relied upon the Central Asian countries, where Russia continues to have a strong influence.

Professor Yan observes that, despite China's rapid economic growth, it lags behind the United States in terms of its military power, its cultural (or 'soft') power, and its strategic relations. China can – at best – defend its perimeter, but it cannot extend its military power far outside its boundaries. China not only suffers from an inability to exert its cultural authority, but it also does not have well-developed partnerships with States far and wide.

China's growing partnership with Russia, however, has provided a platform for it to take foreign policy positions that are divergent from those of Washington, DC. Examples of this are to be found in China's positions on Iran, Japan (Diaoyu Islands), Syria, Ukraine, and Venezuela.

As the bipolar order begins to take shape, the centre of gravity for the international order will oscillate between Washington, DC and Beijing. Either these two powers will come to some understanding over the international organisations – such as the IMF and the World Bank – or more regional organisations will appear with different standards and a more heterogenous understanding of trade and development. Whether these fissiparous tendencies will make an impact on the world financial system is not part of any of these discussions, which seems to indicate that it will remain intact. For countries in the Global South, the implication of continuities of financial power means that no major change at a global level will be possible in this bipolar dispensation. What alternatives there will be for austerity regimes are unclear.

THE BIPOLAR



WORLD.

Part 2. Reports from the Continents

South Africa

According to a 2018 World Bank report, South Africa is the most unequal country in the world, with a Gini coefficient of 0.63. Intergenerational mobility is low, which means that inequalities are passed down from generation to generation. Even as the elite and the middle class in South Africa are no longer overwhelmingly white, impoverishment remains a black phenomenon.

In 2020 South Africa faces low growth and low job creation prospects; the increasing labour force is projected to exacerbate unemployment pressures, poverty, and inequality. This will be the sixth consecutive year where economic growth will be below population growth.

The crisis of systemic, structural unemployment – which hits youth particularly hard – and sustained low economic growth is generally acknowledged as serious. Many commentators argue that it is not politically sustainable and point to xenophobic violence and the rise of authoritarian populism – both within the ruling African National Congress (ANC) and in the form of the Economic Freedom Fighters (EFF) – as harbingers of further

dangers to come. The language of crisis is being used across the political spectrum.

The dominant voices in the elite public sphere are pushing hard for a standard set of neoliberal measures including austerity, privatisation, and union bashing. A set of proposals along these lines from the Finance Minister has been enthusiastically endorsed by big business, right wing think tanks, most public commentators, and the IMF.

Corruption

The public discussion, and much public sentiment, are fundamentally shaped by widespread opposition to the kleptocratic politics that developed under the administration of Jacob Zuma (2009-2018). This form of kleptocratic politics, which seeks to legitimate itself in the name of radical nationalism, and makes effective use of ‘fake news’, continues to be strongly endorsed by a powerful faction in the ruling party and the EFF.

The severe mismanagement of State-owned entities under Zuma resulted in the squandering of an estimated R1 trillion from State coffers. This massive corruption and the wholesale maladministration of public funds have severely undermined the state’s credibility among much of the citizenry, making arguments for privatisation attractive to many.



25 April 2018: Thousands of workers, organised by South African Federation of Trade Unions (SAFTU), march down Simmonds Street in Johannesburg to the provincial government offices to demonstrate against the proposed minimum wage bill in South Africa.

New Frame / Daylin Paul

Under the administration of Thabo Mbeki (1999-2008), the government was moving swiftly to use the State and parastatal organisations to uplift the lives of the black majority. However, kleptocracy has severely hampered the government's ability to drive societal change and be an engine of economic growth. The collapse in the government's credibility is so severe that even some trade unions now support privatisation.

At the same time, support for Zuma among prominent trade unionists and the collapse of some unions into serious corruption – and even gangsterism – have generally weakened the standing of unions in society. This has enabled a frenzy of union bashing from the right. Unions are presented, and misrepresented, as allies of the kleptocracy or – in the words of one prominent commentator – as 'spoilt brats' undermining the 'national interest' with opposition to retrenchments and demands for inflation-related annual increases. Margaret Thatcher's notorious phrase, 'the enemy within', has been used by a number of public figures to refer to unions.

Austerity

South Africa lives with the existential threat of a ratings downgrade. Whenever ratings agencies are preparing to announce their numbers, there is massive hysteria in the media about their announcement and the impact that it will have on the country. This is utilised as a pressure point for the government to introduce austerity. The public is constantly told that if austerity is not implemented, there will be a ratings downgrade, followed by a disaster.

There has also been manic media coverage about the debt-to-GDP ratio and the public-sector wage bill. According to the IMF, the estimated world average debt-to-GDP ratio for 2020 is 82.9%. The averages for advanced and emerging economies are 103.7% and 55.1%, respectively. South Africa's debt-to-GDP ratio (60.8%) is lower than that of other major emerging markets such as Brazil (92.4%), Argentina (69%), India (67.8%), Egypt (84.6%), and Pakistan (79.1%). South Africa has a GDP growth problem – not a debt problem.

Over the last three years the government has cut spending by R200 billion; in the medium-term budget in October 2019 the treasury said that it has identified cuts of R49 billion over the next two years. It wants additional austerity measures of more than R150 billion but has not yet decided where to cut. Austerity reduces GDP growth; the lower GDP growth rate reduces government revenue and results in a higher budget deficit and a higher level of debt. This results in an increase in the debt-to-GDP ratio.

The media has pushed a narrative that points to the public-sector wage bill as the number one option for further cuts. According to the budget statement, average remuneration in the public sector has risen by an annual average of 8% since 2010-2011, which was not much higher than the increase of 7.2% in the rest of the economy. The number of public servants as a percentage of the population and total employment is low by international standards.

The Left Project

Given the malfeasance that has been foisted upon South Africa's State organs in the recent past, it is now easy for right-wing forces to conflate anti-corruption and austerity. Consequently, the right-wing economic discourse has been normalised in the country as being the only way to fix South Africa's economic problems. The maladministration within the State over the past decade has led to an increased call in the public sphere for the privatisation of State-owned enterprises.

The dominant forces using left language in the public sphere are the kleptomaniac Zuma faction of the ANC and the populist (and also kleptocratic) race-based EFF. Unsurprisingly, due to this usurpation of leftist language by predatory and authoritarian formations, the language of the left has been significantly discredited and is often seen as little more than a cover for kleptocratic politics.

Under these circumstances it is vital that a left project restore its credibility through alternative proposals to austerity, privatisation, and union bashing; what is needed is a discourse and policy framework that clearly opposes both the kleptocratic politics of the Zuma faction of the ANC as well as the EFF and the neo-liberal politics that are presented as the only viable alternative to kleptocracy.

The lack of an organised progressive intellectual project is one of the reasons that right-wing economic thought has managed to take root. Where there are progressive economists and policy experts, they are generally not linked to material political forces. As a result, very little in the way of an alternative to neoliberalism is being presented in the country. Linkages need to be made between the experience of South Africa and the experiences of other countries where austerity measures have been used and the effect that these measures have had on the stability and security of the State.



17 June 2019: Emma Tshabangu holds up a sign as members of the United Domestic Workers of South Africa (UDWOSA) begin gathering for their protest march at Church Square in Pretoria, South Africa. Domestic workers marched to the Union Buildings in Pretoria to demonstrate against unfair labour practices and low pay.
New Frame / Ihsaan Haffeejee

India

As the Indian economy faces a severe slowdown, and as the Indian polity and society convulse into crisis, the right-wing Hindu supremacists blithely preside over the government. The Bharatiya Janata Party (BJP) government has not lifted a finger to address the deep wounds felt in society; rather, it has pushed the country further into misery.

Signs of the brewing crisis have been apparent for years. Prolonged agrarian distress has become a feature of life; it is driven by the government's neglect of agriculture and the rural economy, and it has been exacerbated by frequent extreme weather events, such as droughts and floods. Farmers from states such as Rajasthan and Maharashtra have taken to the streets to demand fair prices for their produce, more public investment in agriculture, and affordable credit for small and marginal farmers. In response, the BJP government has been cavalier, resorting to sophistry.

The industrial and service sectors have followed the agrarian economy over the cliff. Government employment surveys show falling employment; unemployment rates have climbed to levels not seen for over four decades; industrial production indices have not been encouraging (in particular, the automobile and construction sectors have declined). Mass farmer suicides are now being mirrored by construction workers suicides.

Modi's ill-conceived act of demonetization (the withdrawal of currency notes supposedly to tackle corruption) and the implementation of a new indirect taxation system (Goods and Services Tax or GST) have undermined the informal sector, which generates much of India's non-agricultural employment. Despite its contribution to formal value creation being relatively small, this sector – which includes the small-scale, family-based retail sector – absorbed a large portion of the non-agricultural work force. The BJP government claimed that the GST would bring the informal sector into the tax-paying sector, but what actually happened was that the high costs of compliance to these low-margin establishments put them into crisis. Large corporate houses find it easier now to wipe out these crisis-ridden retail shops.

The Banking Crisis

India's big corporate houses and billionaires have defrauded and damaged India's banking sector, which is still dominated by the public sector banks. For the past decade, Indian firms went on an investment spree, financed by funds deposited by the public in these government banks. Much of the investment was fictitious and was used to siphon off money to offshore tax havens. These government-facilitated bank frauds vastly increased the wealth of the elite that is not matched by their contribution to the Indian economy.

As a result of this financial waste, Indian banks are not in a position to finance investment in the economy. Small-scale industrial firms and establishments that rely on banks for their working capital and for investment are shutting down or halting operations; either way, workers are unemployed. Large corporations, which have their own surpluses and have easy access to non-bank finance, are either not investing or are cutting back on investment – as there is already a great deal of excess capacity in industry, mainly in sectors like power, steel, and automobiles.

GDP figures suggest that the Indian economy is coming to a near-halt. With the prognosis of low investment and low consumption, there is no spontaneous mechanism within the economy to revive growth rates and to stimulate employment generation.

Image Not Reality

The BJP has done nothing to restore people's livelihoods; its focus is solely on image and media management. If a government report shows evidence of economic downturns, it is suppressed. Its existence is only made public through whistle blowers. When a government report found that unemployment is at a 45-year high, the BJP held its publication till after the election of 2019. When a survey found that people's consumption fell for the first time in four decades, it was discarded by the government.

The BJP government hides behind a false illusion of economic prosperity as grounds to refuse to increase public investment, which would increase employment. Instead, it increases tax cuts to corporations, which reduces the source of income for public spending. The government privatises strategic profitable public-sector industries to appease corporations, who then buy these at a low price and make their profits through the cannibalisation of public resources. This is why the economic downturn has not impacted the net worth of India's elite. Mukesh Ambani – for example – India's richest man, has a net worth of ₹ 4.20 lakh crores.

Hindu Rashtra

The BJP's neglect to address economic distress is matched by its singular focus on turning India into a Hindu State (Hindu Rashtra). Unleashed right-wing mobs have attacked minorities, while the government has whittled away at minority rights. The government has taken a series of steps to create religious polarisation in the country, which the BJP believes will allow it to mask economic distress.

Going against the wishes of the people of Jammu and Kashmir, the government abrogated Article 370 of the Constitution, which gave autonomy to the State (for more on this, read our [Red Alert 1: Kashmir](#)). The people of the state have been deprived of their basic freedoms, and the state has remained under lockdown since August 2019.



18 November 2019: Students carry an LGBTQ+ flag at a Fees Must Fall march to the Indian parliament in Delhi.

Peoples Dispatch / V. Arun Kumar

Twenty-seven years ago, a 16th century mosque was destroyed by the BJP's family of organisations. These organisations wanted to build a temple atop the ruined mosque. Against the facts and the principles of natural justice, the Court ruled in favour of the ruling party's allies, allowing them to build a Hindu temple on the land where the mosque once stood.

In the state of Assam, the BJP deepened its campaign against Indian Muslims by implementing the National Register of Citizens (NRC), whose formal purpose is to identify undocumented immigrants. It was clear in this, and in the 2019 Citizenship Amendment Bill, that the BJP wanted to deepen polarisation around religious identities. In Assam, two million people who have been struck off the rolls are at risk of being deprived of their rights as Indian citizens. The implications of both the NRC and the Citizenship Amendment Bill are wide-ranging, but mostly they will alienate minority communities and extend the atmosphere of majoritarianism.

Unrest

Despite the BJP's attempt to divert attention away from the underlying issues of inequality and economic hardship through religious polarisation, anger and disillusionment have begun to set in, particularly amongst the rural and urban working class. The left movement is the only force that dares to channel the people's pain and disillusionment – but the left is not strong enough by

itself. In the absence of a strong left-led bloc, fear takes its toll. The non-Left opposition has been reduced to opportunistic alliances, including with the BJP.

Marches of farmers and workers are a constant feature of Indian life. So too are the protests of students. The ongoing agitation at Delhi's Jawaharlal Nehru University against hostel fee hikes is among many examples of this. Students are fighting against the privatisation of higher education and against the attempt to turn higher education into a bastion of right-wing ideology. Students, farmers, workers, and minorities are at the forefront of this agitation. It remains to be seen if these agitations will become strong enough to mount a challenge to right-wing rule.



20 December 2019: A crowd gathers at Jama Masjid in Delhi after the police unleashed violence on people protesting against the Citizenship Amendment Act (CAA) and National Register of Citizens (NRC).

Sreekanth Sivadasan

Latin America and the Caribbean

Since at least 2015, the people of Latin America and the Caribbean have been faced with the development of a conservative, neoliberal offensive that promotes an extensive packet of pro-market reforms around pensions, energy, labour, education, and health – among other issues – promoted by the IMF and global powers. This offensive has also intensified the appropriation of natural goods by private transnational corporations and increased intervention by and subordination to the United States. These policies have been advanced through elections, parliamentary coups or restrictions, and right-wing coalitions, restricting forms of liberal democracy and encouraging a conservative – and even neofascist and racist – culture. In a context of regional instability and economic difficulty, the increased plunder and exploitation that these policies entail has deepened inequality and social polarization.

The Crisis and Reconfiguration of the Neoliberal Offensive

Over the course of 2019, the region experienced the limits, crises, and reconfigurations of this offensive (see [Dossier no. 22](#), *Latin America and the Caribbean: Between the Neoliberal Offensive and New Resistances*). On the one hand, popular uprisings, large mobilisations, and institutional and electoral changes indicated the rejection of the packet of pro-market reforms promoted by the IMF. The entire regime of austerity experienced a crisis of

legitimacy. In October, the people took to the streets in countries throughout the region, shaking the governments that had been committed to neoliberalism and structural adjustment policies.

On the other hand, the coup in Bolivia in early November and the bloody repression of popular movements that has followed signals a new stage in the use of authoritarian, militaristic, and repressive forms by the imperialist offensive. The violence let loose by the coup regime in Bolivia mirrors the violence in Chile, Colombia, Ecuador, and Haiti, where the different governments reacted to the protests and the social unrest in the same way. This conservative politics has stained the Caribbean and Latin America in blood with more than one hundred people assassinated, hundreds injured, and thousand detained since the end of October.

From Hybrid Wars to Coups

Many have condemned the involvement of the United States government and the Organisation of American States (OAS) in managing the coup in Bolivia, which points to the dynamic and intensity of imperialist intervention in the continent. Since early 2019, the United States and its allies have increased the rigorous financial, commercial, and media blockade against Venezuela as well as attempts to generate an external military intervention in the context of a heightened hybrid war (you can read more about this in [Dossier no. 17, *Venezuela and Hybrid Wars in Latin America*](#)).

But these attempts have proved unsuccessful. The resilience of the governments and processes in Venezuela and Cuba – despite the military and economic siege that seeks to suffocate them – is proof of the unresolved struggle between the neoliberal offensive and popular resistances on the continent. Each day brings another crisis as another battlefield opens up between the progressive and reactionary forces. This battlefield shows us that Latin America has become a key geopolitical flashpoint in the bipolar dispute between the United States and China; on the one side, we see the US military and diplomatic intervention, and on the other side, we see the increase of Chinese involvement in the economy through commerce and infrastructural projects.

New Resistances

The last quarter of 2019 was marked by a wave of struggles in Latin America and the Caribbean. In particular, the uprising in Haiti that began in the middle of last year is remarkable for its length and for the intensity of the protests and of the repression. Haiti is also known for the country's broader historical context as the first independent revolution in Latin America and the Caribbean (1823), for which it is held up as an inspiration in the region (you can read more about this in our [Dossier no. 8](#), *The Uprooting in Haiti: Whispers of a Revolutionary Past and Future*). That cycle of protests initially targeted the austerity government of Jovenel Moïse; but it was also against the US embargo on Venezuela, which prevented Haiti from getting fuel through the PetroCaribe

scheme (see our [Red Alert no. 4, Haiti](#)). The resistance continued and deepened over the following months.

The mobilisations and protests in Chile (which began in October), the protests in Ecuador (especially between 2 and 13 October), the actions of the prolonged national strike in Colombia (which began on 21 November), and the protests in Haiti continue to shake the region and challenge the hegemony of neoliberalism. These protests have many similarities. First, they were initiated in response to one of the main reforms of the neoliberal agenda – namely the cuts to fuel subsidies and the consequent increase in transportation and food prices. Second, these protests grew rapidly because they draw on social classes that have faced impoverishment and plunder from other aspects of neoliberal policies. Social unrest spreads outwards and cannot be easily contained.

There is an echo between these protests and those of the 2000s, which broke with the hegemony of the previous neoliberal assault on the region. The longevity of the protests, their mass character, the prominent role played by youth and women, the mobilisation of the popular classes into the struggle, and the occupations of streets and plazas mirror the struggles of an earlier period. This raises the question about whether a new phase will open up that could drive an exit from neoliberalism.



9 November 2019: Former Brazilian president Luiz Inácio Lula da Silva is carried on the shoulders of the crowd as he makes his way back to the entrance of the ABC Metalworkers' Union headquarters in São Bernardo do Campo in the south of São Paulo, where a rally was held to celebrate his release from prison.

New Frame / Ihsaan Haffejee

Methods and Limits of the Crisis of Legitimacy

Neoliberalism's crisis of legitimacy on a regional level has expressed itself not only in the streets, but also at the ballot box. The recent presidential elections in Argentina (2019) that marked the defeat of the conservative coalition that had governed the country since 2015 are emblematic of this change. But the new left-led government that took office this December faces grave challenges. President Alberto Fernández was sworn into office in the context of a deep economic crisis of recession and inflation that was provoked by the application of the harsh neoliberal recipe, including agreements with the IMF to take on more debt to tackle already significant external debt (see [Dossier no. 10](#), *Argentina Goes Back to the IMF*). The problems inherited by the new government are many, its fragility increased by the threats and challenges of governing in a context where the right-wing feels the wind of US imperialism in its wings. Its only allies are in the Bolivarian axis and in the government of López Obrador in Mexico.

Other fragments of hope come with the release of former president of Brazil, Luiz Inácio Lula da Silva, after 580 days of wrongful imprisonment. An extended campaign for his freedom during this time offered the left an avenue to articulate its agenda and took place in a context of economic crisis and decreasing popular support for the government of Jair Bolsonaro, furthered by fires in the Amazon and the deepening of a policy of the appropriation of natural goods (see [Dossier no. 14](#), *Brazil's Amazon: The Wealth of the Earth Generates the Poverty of Humankind*.) Meanwhile, Peru's institutional crisis, which shut down the Congress over the

accusations of corruption, marked its political life; parliamentary elections in January might provide some basis for stability in the country if the parties of austerity do not receive a mandate.

The Authoritarian Response

On the other hand, the cycle of protests and manifestations – far from precipitating a political crisis – has resulted in a combination of partial concessions and the deployment of a fierce policy of repression. The most recent neoliberal wave sought to take and consolidate power through mechanisms such as lawfare – the deployment of the law for the right’s political ends – which made the framework of liberal democracy vulnerable. The current thrust by neoliberals and neofascists comes through the blatant use of state violence, the curtailment of democratic liberties, and the direct intervention of the Armed Forces on a domestic level; these more violent mechanisms deepen the tendency towards authoritarianism.

The coup in Bolivia that forced Evo Morales (President) and Álvaro García Linera (Vice President) into exile incited the persecution of militants and representatives of their party (the Movement to Socialism) and of popular movements and led to the open demonstration of hatred of indigenous peoples, characterises this current thrust. The general policy orientation of these authoritarian and racist regimes is to impose neoliberal transformations in countries throughout region; it is the method that is different, not the aim.

In Perspective

This is the contrast that faces Latin America and the Caribbean: a growing rejection of neoliberal policies on the one hand and, on the other, a regional political landscape where the governments that defend these policies – with the support of the United States – threaten to become increasingly authoritarian. Governments that dare to create a policy slate in opposition to neoliberalism shed light on the possibility of a democratic and popular resolution of this tension (one recent example being the experience in Argentina) and the articulation of political and social disputes along a pathway that enables us to advance towards an exit from neoliberalism.



Cover photograph |

20-21 December 2019: People protest from day to night at Jama Masjid in Delhi against the Citizenship Amendment Act (CAA) and National Register of Citizens (NRC) in India.

Left: Sreekanth Sivadasan

Right: Peoples Dispatch / V. Arun Kumar



21 November 2019: Since the national strike began on November 21, hundreds of thousands of Colombians have been mobilising across the country to reject right-wing President Iván Duque's neoliberal policies as part of a wave of popular uprisings across Latin America and the Caribbean.

Colombia Informa / Juan Ignacio Muñoz





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