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The 21st century will be one of socialism

New introduction to Brazilian edition of *Marxism in Today's World*

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The following (in English) is the new introduction to the Portuguese edition of the book, *Marxism in Today's World*, by Peter Taaffe. The Portuguese translation is by Socialismo Revolucionario, the Brazilian section of the CWI.

The publication of *Marxism in Today's World* in Portuguese will help to advance the struggle for socialism, particularly in Brazil, but in Portugal, as well.

Since its first publication, in November 2006, when it was published in English and Italian, the book has been published in India, where it will also be translated into the Tamil language, in Pakistan, into Urdu, and into German, as well. To have a version of this book in Latin America, in particular, marks a significant step forward for the Committee for a Workers' International (CWI) and our Brazilian comrades.

For socialists and Marxists, Latin America is the most advanced continent politically in the world today. It is also an anticipation of what will happen in the rest of the world tomorrow. From the Rio Grande to Tierra del Fuego, the working class, the urban poor and poor peasants are in revolt against landlordism, capitalism and imperialism. This finds its sharpest expression in Venezuela, Bolivia and Ecuador. Yet, the same explosive social ingredients which exist in these countries and which pushed their governments towards the left exist to one degree or another in practically every one of the countries of Central and South America.

Growth in economy... and poverty

"But the continent is experiencing rapid growth," answer the prophets of neo-liberalism, like the London-based Economist magazine. True, Latin America, compared to the previous period, has an average annual growth rate of 5% since 2004. But this growth has started from a low base, has largely been fuelled by the worldwide boom in commodities and food at the expense of industry, and has passed by millions still mired in desperate poverty. This is typified by countries like Chile with 6% growth, largely because of the spiralling of world copper prices. At the same time, it has suffered an energy crisis because of the cutting back of fuel exports from Argentina, which itself has suffered energy shortages. The position in Brazil is even more striking where the country is now the biggest exporter of meat and soya in the world. It has a burgeoning biofuel industry but this has been accompanied by significant deindustrialisation.

And this much-vaunted growth has not quelled the movement of the masses but if anything has intensified it. In Chile, massive street protests against poverty and neo-liberalism have drawn in a new generation, ending the shadow cast by the long nightmare of the Pinochet regime. Huge strikes and protests have convulsed

Peru, while Ecuador threatens to default on its crippling debt. The use of the US dollar as Ecuador's currency has intensified the crisis, because of the recent drop in the value of the dollar on world markets. Mass demonstrations in Mexico have taken place because of the increase in the price of corn, while in Venezuela and Bolivia there is a direct and rising challenge to capitalism and imperialism.

The mass of Latin America's population instinctively understands that the recent growth is fragile. Argentina, for instance, is lauded in capitalist journals because it has grown by 33%, allegedly, in the past five years. Yet, only a few short years ago (2001-02) the majority of Argentines fell drastically below the poverty line. Thousands of the middle class moved into shanty towns while others scrambled for visas at the Spanish, Italian and other embassies to flee the country. After 1980 in Brazil, "seven million people dropped out of the middle class" [The Economist]. Significantly, this journal has warned: "Many of those who have clawed their way out of poverty could be knocked back down again if there were a repeat of the financial collapses the region suffered in the 1980s and 1990s."

'BRICs' cannot prevent crisis

This commentary was written in the month of August, when a financial crisis was actually under way in the US and was beginning to reverberate around the world. The crisis in the 'sub-prime' mortgage market of the US – where home loans were distributed like confetti to the poor who had no hope of ever paying them off – is symptomatic of the world boom of the last

period. It was based upon a sea of consumer debt and, moreover, it resulted in \$200 billion worth of sub-prime debts being broken up in parcels and distributed through so-called 'financial instruments'. Nobody – even the 'rocket scientists' engaged in devising evermore ingenious financial products – knows where these are. Like some uncontrolled natural force, this hidden financial bomb has threatened a major bank crisis and helped to bring down one hedge fund after another in the US, Germany, France and, most dramatically, in the near collapse of the British bank 'Northern Rock'. So insecure was this bank that the credit markets refused to lend to it and bail it out. The consequence was that Argentina came to Britain for a few days in September 2007. Panicky queues formed outside banks, with depositors demanding their money back. However, unlike Argentina, they were not fired on by bank police because the government stepped in and effectively 'nationalised' – underwrote – the deposits of small savers and thereby saved Northern Rock, and with it the banking system in Britain.

These events underline the blind and chaotic character of capitalism, even in its bastions in the industrialised world. The old adage that when the advanced industrial countries – particularly the US – catch cold, the neo-colonial world will suffer pneumonia still holds true. This is because of the still-dominant economic power of the US. Capitalist economists think this can be averted by the 'BRICs' – the large developing economies of Brazil, Russia, India and China – taking up the 'slack' from the inevitable decline in US consumption because of the collapse of

house prices in the US. This is the main engine for the present economic boom and which is now set to stall. This notion that BRICs can find a way out is a chimera, as the 'BRICs' are utterly dependent on the continued growth of the world market, particularly the US. Brazil and Russia, together with Chile (growth in commodities' exports), India through business services and China are all bound with iron hoops to the US economy. The price to be paid in an economic recession, as in all stages of capitalism, will be through attacks on the precarious living standards of the working masses in Latin America. One million have already lost their homes in the US and another two to three million are set to join them. The cut in the US interest rates, probably to be followed by other capitalist countries in the next period, will not offer a long-term solution. It will fuel inflation, which in turn will lead to increased prices of basic necessities and lead to increased demands for wage increases to compensate. At the same time, it will also mean a further collapse in the value of the dollar. The present financial crisis could therefore be replaced by a dollar crisis, or we could see features of both.

Chavez and Trotsky

This will shatter the rosy economic perspectives of the soothsayers of capitalism, who now include President Lula in Brazil. The Latin American masses have experienced the lost decade of the 1980s, followed by the mass privatisations of the 1990s, which has now resulted in social recoil, most visibly in Venezuela and Bolivia, and to some extent in Ecuador. The same process will unfold in many other

countries throughout the continent in the next period. The coming to power of Hugo Chávez, nine years ago, and his promises to lift the Venezuelan masses out of poverty, provoked the morbid fear and bitter opposition of Venezuelan capitalism and their international backers, particularly in the US. Starting out with a mission to 'humanise' capitalism, Hugo Chávez has been pushed into proclaiming the need for socialism in the 21st century and latterly seems to have embraced not just Marxism but Trotsky and his ideas. The theory of 'permanent revolution' – which we explain at length in this book in relation to the neo-colonial world as a whole – has come in for special praise from Chávez, as has Trotsky's pamphlet, 'The Transitional Programme and the Death Agony of Capitalism'.

In April, Chávez stated on his television show: "I would not qualify myself as a Trotskyist, although I have a tendency [to be one], because I have a lot of respect for the ideas of Trotsky and every time I have more respect and I perceive it better. The permanent revolution for example is an important thesis. You all have to learn it, study it. Here nothing has been learned forever. Leon Trotsky's booklet that someone brought in for me, I was reading it this morning and it is about the transitional programme. It is only 30 or 40 pages long but it is worth its weight in gold. He is an illuminating thinker, Leon Trotsky."

It is to the great merit of Hugo Chávez that he has not drawn back when faced with reaction. Both he and his supporters have shifted leftwards under the threats and blows of the right, which resulted in the attempted coup that tried to remove him in

2002. In place of the scorn, slander and misinterpretation of Trotsky's ideas by both the bourgeoisie and the Stalinists, Chávez has now given certain legitimacy to his ideas. But while this is welcome, unfortunately history is littered with examples of people, figures and movements who sincerely claimed to be 'Marxist', could even sometimes accurately quote the letter of Marx's ideas, while, at the same time, watered down or totally ignoring the method and the spirit of Marxism. Marx himself said that theory was a "guide to action". This is above all demonstrated in sharp turning points in the life of society; revolutions in other words.

Some features of the revolutionary process – albeit drawn out – have existed in Venezuela for some time. Pushed to the left, prompted into making important radical declarations, taking concrete actions to reform the lives of workers and peasants; all this Hugo Chávez has done. This has undoubtedly helped to undermine, if not yet break the 'Washington consensus' of neo-liberal policies of privatisation, cutting wages and social services, etc. Chávez has been a source of inspiration and hope to the masses, not just in Latin America but throughout the neo-colonial world, kept in the dirt by capitalism. But capitalism and the threat of naked capitalist counter-revolution have not yet been vanquished in Venezuela.

In his magnificent documentary about Latin America and reaction, 'The War on Democracy', John Pilger, while showing sympathy, nevertheless confronts Hugo Chávez over the fact that the rich in Venezuela are still a considerable force; in fact many have done even better than before

by creaming off big benefits from Venezuela's oil boom. Pilger subsequently pointed out in *The Guardian* (London): "Even the description of him [Chávez] as a 'radical socialist', usually in the pejorative, wilfully ignores the fact that he is a nationalist and a social democrat, a label many in Britain's Labour Party were once proud to wear." At this stage, this is an accurate description, despite the radical phraseology, of the reality of Venezuela today and of Hugo Chávez's government. While there are many proclamations on the need for socialism, there has not been as yet a decisive break with capitalism, no more, in fact even less, than was the case in Allende's Chile in 1973. In fact, a Chilean in Pilger's film, who suffered torture at the hands of the Pinochet dictatorship, says: "It is as if Chávez is Allende, it is so evocative for me." Under mass pressure, Allende nationalised 40% of industry. This did not prevent the bloody overthrow of Allende and the long night of dictatorship which followed.

Even Trotsky's theory of the permanent revolution can be and is, unfortunately, interpreted not in a revolutionary but in a 'reformist' manner. Trotsky perceived that the tasks of the bourgeois-democratic revolution would be carried through in the underdeveloped countries in an alliance between the working class and the peasantry, with the former in the leadership. This would mean a workers and peasants' government coming to power, which would complete the bourgeois-democratic revolution and then pass over to the socialist tasks in the national arena but also igniting a movement internationally, as was the case in the Russian Revolution. Trotsky's idea made no concessions to

the Stalinist perception of 'stages'. It did not mean a 'step-by-step' programme – with lengthy pauses – from the bourgeois democratic tasks to the socialist tasks in the indefinite future. Trotsky talked about the combination of the bourgeois-democratic tasks with socialist measures. In a telling phrase he commented: "The dictatorship of the proletariat [workers' democracy] appeared on the scene not after the completion of the [bourgeois] democratic revolution but as the necessary prerequisite for its accomplishment". In Russia, the Bolsheviks came to power, by nationalising the land and the factories, but for a period left the capitalists in supervision of the factories. A period of workers' control was preferred in which the masses were expected to acquire the necessary skills to run and manage industry themselves. This, however, was in the context of the overthrow of landlordism and capitalism being completed in the 1917 October Revolution. This was brutally cut across by the civil war, when the Bolsheviks were forced to take over the banks and industry, in 1918. The ideas of the permanent revolution in no way can be reconciled with the reformist approach of stages or of its equivalent, the chopping up and separation in time between different 'stages' of the revolution.

Unfortunately, the idea of the permanent revolution has been interpreted this way in a reformist fashion by those around Chávez, both in Venezuela and also by some 'false friends' internationally, who merely cheer on Chávez, thereby deepening his mistakes. One of the big differences between Venezuela and the Cuban revolution is that the latter had little oil and was therefore dependent on the lifeline of

the oil supplied by Stalinist Russia when the US introduced its embargo. A planned economy was developed with elements of workers' control, which was enormously progressive. But there was no workers' democracy, of soviets, election of officials, etc. "He who pays the piper calls the tune", and it was Khrushchev's Russian Stalinism that called the tune and put its stamp on the character of the Cuban state, which although highly popular, was not a democratic workers' state as Russia was in the period from 1917 to 1923.

The present oil bonanza – with oil prices at \$80 a barrel and set to increase to perhaps \$100 – has given a cushion to Venezuela, which Castro and Cuba never had. This has allowed the Chávez regime to give considerable concessions, particularly to the poor, without, as yet, fundamentally ending the economic and political power of Venezuelan capitalism. This has resulted in a drawn-out process and, at present, a certain stalemate in the revolution and social relations.

Break with capitalism to prevent counter-revolution

This unstable position, however, cannot last indefinitely. Counter-revolution can take on different forms. On the one side, Latin America witnessed the sharp blow of a coup in Chile in 1973, but then we had the 'creeping' counter-revolution in Nicaragua. The Sandinistas paused – although they reached a more advanced stage than Venezuela today – because of the advice to call a halt to the revolution proffered by Fidel Castro. This prepared the way for reaction. If the price of oil collapses, as it could in the event of a serious world eco-

conomic downturn, a contraction in the world market will ensue, not least in China, which could then curtail its ferocious energy 'hunger'. This would be keenly felt in Venezuela, in the economy and amongst its people, and could even affect the prospects of the government, as well. Even now, the very oil largesse accruing to the government produces problems. We have the perverse situation flowing from the absurdities of capitalism that too much money chases too few goods, resulting in inflation, which has climbed to a reported 20% or more. Crime has increased; Venezuela has more criminal deaths per head of population than Brazil. These could be aggravated by an economic downturn. At the moment, Chávez enjoys widespread support, of perhaps more than 60%, but this could evaporate, particularly amongst the middle class, if there is an economic dip in Venezuela's fortunes. We support all steps forward of Hugo Chávez and his government in changing for the better the lives of the poor, the working class and the poor peasants. But the only guarantee that this will not be reversed and counter-revolution defeated is by taking over the oil industry – which is only partially controlled by the government at the moment – and other industries, and nationalising the land and turning it over to the tillers. Above all, it is necessary to carry through a programme of workers' democracy, where real power is vested in the hands of the working class, the poor and their independent organisations.

One of the problems of the revolution arises from the history and characteristics of the Venezuelan working class, its lack of consciousness of its own power and of independent movements. This has led

some to look for liberators from above. Because of the vacuum that existed, Chávez and the army officers around him, very courageously, stepped in, were moved by the suffering of the masses and the blind alley of capitalism, were subsequently pushed to the left and radicalised in the process. However, because of their origins – from within the army – they have adopted a top-down approach towards 'democracy'. Cuba's influence also reinforced this. There is the incredible assistance in terms of health – the Cuban population has a greater lifespan, on average than the US, and is equal to Britain. This has played an important role in bolstering support for the Chávez government. How much more effective this would be, however, if Venezuela broke completely with landlordism and capitalism, together with Bolivia, and then these two countries could come together with Cuba in a socialist democratic federation under workers' control and management. A democratic workers' state in Venezuela would act as a beacon to Cuba and the rest of the continent. This is what the CWI is fighting for.

Bolivia on the brink

Bolivia is as important as Venezuela in the degree to which the mass movement is on the march. The coming to power of Evo Morales and the MAS has opened up as dramatic a scenario as in Venezuela. Morales, however, has hesitated before the demands of the mass movement – 60% of the population are from the indigenous peoples – clamouring for a decisive break with the system. The great majority of Bolivians are dirt-poor and looked expectantly to Morales and the MAS to intro-

duce decisive change. "Within the indigenous movement there is anger at the continued domination of the so-called rich elite in Bolivia. We have a president, but we do not have the power. The rich elite continue to control us. They are never going to accept the changes we want," said Silvano Paillo, an assembly member for the MAS. Yet the counter-revolution in Bolivia feels it is much stronger at this stage than in Venezuela. It has a presence in many states, in some even a majority, as in the energy-rich state of Santa Cruz. It is armed to the teeth with the organisation of reactionary paramilitary bands outside of the army. Morales also made a fundamental mistake, similar to Allende, of promising not to touch the officer caste, which is a gift to Bolivian reaction. However, Bolivian workers and peasants have a long and bloody experience of the military and are certain to resist any attempt, as has happened in the past, for armed reaction to overthrow Morales.

The heightened social and political tensions have manifested themselves even within the congress, with physical clashes between right and left. The congress – which stipulates that a two-thirds majority must vote for constitutional change or decisive socialist measures – has now been suspended. The demand should now go up from the mass movement in Bolivia for a new revolutionary constituent assembly to be convened through the organisation of mass committees. These should pledge the assembly to carry through the full and complete nationalisation of the major industries – particularly energy – and the introduction of a socialist planned economy linked to Cuba and Venezuela. Without such a bold approach, Morales could

join the ranks of failed Bolivian workers' leaders – some murdered – who refused to seize the opportunities to decisively change society and with it the lot of the majority of the Bolivian people.

Brazil

As important as these events are, the fate of socialism in the long term in the continent will be determined by crucial countries like Brazil, Argentina and Chile, with their powerful working classes, socialist and revolutionary traditions, and a history of independent movements. On the surface, Brazil, with the Lula government at the wheel, seems to be powering along. Economic growth is heading above 5% a year, more than double the average of the past two decades. Yet the reality for the masses is vastly different. Symptomatic of the situation is the barbaric conditions in the favelas, where grinding poverty is mixed with despair, crime and drugs. One Rio newspaper recently compared the images of carnage in the city to the violence in Baghdad. It concluded that these were "scenes from a civil war". The US civil rights campaigner Jesse Jackson correctly argues that when jobs disappear in a neighbourhood, in come the drugs and following them the guns. The sense of neglect which stirs class hatred is compounded when the poor live almost alongside smartly painted blocks occupied by the rich, surrounded by high walls and electrified fences.

Despite the much-praised growth of the Brazilian economy, it is leaking jobs to China and elsewhere, as industries such as textiles, footwear and metalworking go to the wall: "If this goes on, we are going

to see the deindustrialisation of Brazil,” complained a businessman in Rio Grande do Sul (Financial Times). Even the very success trumpeted by Lula brings problems. For instance, the real, the Brazilian currency, has recently climbed, thereby undermining the ability of manufacturing companies to compete on world markets. They once exported to East Asia but are “now building factories there instead”. Without jobs, the poverty-stricken inhabitants of the favelas have turned to drugs as an income and solace from the nightmare that surrounds them. The police, rather than guardians of ‘law and order’, are seen as instruments of the oppressors and are up to their necks anyway in the drugs trade. With private industry collapsing – despite the paeans of praise for privatisation – workers scramble for the few jobs in the public sector at a time when it is coming under increasing attack. According to the Financial Times, “Brazil’s labour laws remain highly restrictive.” Translated, this means that the past struggles of the mighty Brazilian working class have resulted in gains which are now under the hammer from the bourgeoisie and the former champion of the metalworkers, Lula. In August and May, the Brazilian workers took national action. In May, 1.5 million came out in protests, partial strikes and blockades in cities such as Sao Paulo.

P-SoL

The attack on pensions by Lula’s government provoked big opposition and the defection of significant layers of public sector workers and others towards the Party of Socialism and Liberty (P-SoL), which was formed three years ago. This represents

one of the most important and encouraging developments in the Latin American continent. The Brazilian section of the CWI, Socialismo Revolucionario, was one of the first to predict the need for and raise the demand for a new mass workers’ party. It was amongst the first pioneers of P-SoL. Internationally, because of the complete bourgeoisification of previous workers’ parties such as the PT, social democracy in Europe and the ex-communist parties, the inevitable process of realignment and the creation of such parties is lodged in the current world situation. The creation of these parties, as the experience of P-SoL has shown, is vital in order to gather together the hitherto scattered forces of the working class, imbuing them with a sense of their power, and undertaking a combined struggle against capitalism and imperialism.

However, the CWI never perceived the creation of mass parties as a panacea or an end in itself. Any new mass party today represents, from a political point of view, an arena of ideological clarification and struggle; for the working out of a programme to rearm the working class for the coming battles. This has been shown by the development of P-SoL, which, in a short time, has grown electorally, getting 6% in the presidential elections, but also has gathered different political trends hitherto separated from one another within the framework of a mass party. Through events and discussion conducted in a positive and comradely fashion, such parties could provide in time the basis for elaborating a clear Marxist and revolutionary programme for the working class to take power. The Brazilian section of the

CWI, through the publication of this book, hopes to further this process.

The issues dealt with in the following pages affect the workers' movement worldwide and have a relevance to the situation developing in Brazil and Latin America at this stage. The path that lies ahead, through victories and sometimes setbacks, is creating a new generation hardened, as the Brazilian workers have been, by the incapacity of capitalism and imperialism to show a way forward.

The 21st century will be one of socialism. But the means of achieving that goal lie in creating the basis now for the building of mass forces imbued with the method, programme and perspectives of genuine Marxism. The CWI, which has brought together in its ranks some of the best militant fighters and conscious Marxists, throughout the world in 40 countries, on all continents, is not the last word in this developing process. Nevertheless, if the readers examine our ideas set out in this book, we hope they will agree with us that in the approach of the CWI lies the road to mass parties of the working class and a mass international which can realise the dream of the pioneers, of a socialist world confederation.