

# Latin America: Class Struggle and Resistance in the Age of Extractive Capitalism

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## Introduction

Class struggle is central in framing the issues of political rule, the relations of classes, the economic structures and strategies and the distribution of wealth.

Especially in the era of imperialist globalization, the class struggle takes on an international character, as multi-national corporations, international financial organizations and imperial states directly intervene, or act through proxy collaborator states, in 'the class struggle between labor and capital'. This is especially evident in Latin America with the ascendancy of extractive capital: giant agro-mineral corporations play a major role in shaping state economic policies, to the detriment of labor, communities and indigenous peoples.

Classes in struggle vary over time and place, depending on their social-economic and political conditions, organization, past trajectory, the distribution of income and the locus of economic exploitation and dispossession.

The nature of the struggles and the conflicting demands between labor and capital vary in terms of comprehensiveness, intensity, geographic location and class interests. The range of issues vary from specific sectoral demands over wage and working conditions, to broader struggles ranging from public policies affecting budget allocations, investment decisions, and property ownership to issues of dispossession, contamination and the destructive impacts on local communities.

Class struggles involve two basic antagonists. Ruling class struggle "from above", in which various sectors of capital use their social power, economic control and state penetration to maximize present and future profits to monopolize state budgetary allocations to limit the income shares of labor and to dispossess and displace petty commodity producers and local inhabitants from resource rich regions. Popular class struggle "from below" involves a panoply of classes ranging from employed and unemployed industrial workers, unionized public and private salaried employees, rural landless workers, petty commodity producers and indigenous communities. Their demands range from greater share of national income and repossession of land and resources usurped by the state on behalf of agro-mineral corporations, to systemic change in property ownership and class relations.

One of the key determinants of the scope and depth of class struggle is the 'moment of the economic cycle' - the point at which a particular 'economic model' is in an ascendant phase or exhausts its possibilities and enters into decline and crisis. For example, in recent years we witnessed the rise of 'neo-liberalism', roughly between the mid 1970's to the end of the 1990's, during which capital was on the offensive, waging class war and reversing workers

and peasant advances, privatizing the economy and pillaging the public treasury. In the late 1990's to early 21st century, neo-liberalism descended into crisis, precipitating intense class struggle from below ranging from unemployed workers movements in Argentina, to mass Indian movements in Bolivia and Ecuador resulting in the overthrow of incumbent regimes and the emergence of post-neo-liberal regimes.

Likewise the decline of the mega-cycle (decade-long boom of commodity exporting economies) beginning in 2012-13, is accompanied by rising mass urban movements protesting the policies of the post neoliberal regimes in Brazil , Peru and Argentina .

Changes in the economic configurations of Latin America , especially the expansion of the agro-mineral, financial and commercial sectors and the decline of the manufacturing sector has had a profound impact in shaping the class structure, trade union organization and class conflict. Trade union membership has fallen precipitously. In Brazil trade union affiliates have declined from 32.1% in the early 1990's ( prior to the election of neo-liberal Cardoso 1994) to 17% in the middle of the decade under Lula (2005). In Argentina between 1986 and 2005 trade union membership declined from 48.7% to 25.4%. In Mexico membership declined from 14% to 10% between 1985 and 2005. Chile is the exception: starting from a low level 11.6% in 1986 rising to 16% in 2005. Moreover, the decline in trade union membership has been accompanied by the decline of industrial workers, especially in labor-intensive light consumer industries, negatively impacted by imports of cheap textiles, shoes, toys and so on, from Asia as part of the trade off between exports of agro-minerals and imports of manufactured goods.

The decline in trade unions has been accompanied by a decline of political influence in state policies and a "turn inward" to narrow 'corporate' wage and workplace issues. As a result strikes have declined and are focused on immediate issues.

The political and social space in the class struggle, vacated by the industrial workers, has been occupied by mass social movements in the countryside led by peasants, Indians and landless workers during the neo-liberal era and by urban struggles led by low-paid service workers and lower middle class employees in the 'late' post-neo-liberal period. This is evident in the million member mass urban struggles in Brazil in May - June 2013.

The change in the economy and social struggles has led to major shifts in the locus of class struggles and socio-economic demands.

Prior to the 1990s the major strikes, protests and other class actions were organized at the workplace by employed, unionized industrial workers. During the 1990s the axis of struggle shifted to the streets, countryside, and neighborhoods as the class struggle was spearheaded by rural landless workers, unemployed workers and the downwardly mobile middle class. In the first decade and a half in the 2000s, the locus of class struggle is focused in the Indian and provincial communities adjoining sites of agro-mining corporate exploitation. The struggles focus on resisting dispossession, uprooting and destruction of habitat.

The urban mass movements in the major Brazilian cities combine the lower middle class, informal workers and students. They are organized in the streets: the center of organization and confrontation is located in the neighborhoods and communities. The target is the post neo-liberal state. The trade union power of convocation has been dwarfed

by a ratio of 20 to 1: two million working people joined marches protesting massive corruption, misallocation of budgetary resources and declining living standards and the quality of basic services in health, education and transport.

The new class struggle is basically made up of the younger generation of non-unionized workers, many in the informal sector and low-paid service workers who are highly dependent on public services and lack the social protection of the state.

The complex and changing physiognomy of the 'class struggle from below' is matched by the continuities and changes in the 'class struggle from above'.

The ruling classes have shifted from a position embracing brute force, via military dictatorships and ultra-authoritarian rule in launching the neo-liberal counter revolution during the early 1970s and mid-1980s, to support for a negotiated transition to electoral politics as a means to consolidate the model and to rapidly implement the neo-liberal agenda during the 1990s.

In the face of the anti-neo-liberal popular uprisings at the end of the 1990s the agro-mineral elite embraced the post neo-liberal center-left regimes and secured privileged places in the new model, accepting increased taxes and royalty payments in exchange for vast state subsidies and large scale land grants ("land grabs").

With the decline of the mega-boom (post 2012) different sectors of the ruling class have adopted different strategies: some (mostly agro-mineral sectors in Brazil) have pressured for a return to neo-liberalism within the center-left regimes; others, especially agro-business association in Argentina, have organized 'mass actions' to undermine the post neo-liberal regimes and foreign financial and investment houses have shifted capital to more lucrative sites in other regions.

While the class struggle in its multiple expressions is a 'constant' and moving force in determining economic strategies and the direction of social policy, the organizational form which it takes has changed dramatically over the past half century. Even what appears to be similar organizations, like 'movements', 'trade unions' and 'community-based mobilization' have great variations in their internal make-up and mode of operation. Adding to the complexity, organizations change over time in their structure and relationship to the state, depending on the politics of the regime in power.

Let us illustrate:

During the 1970s, trade unions in Chile , Argentina , Peru , and Uruguay were highly political, playing a major role in mobilizing and uniting with parties and neighborhood movements in promoting the socialization of the economy and resisting the military take-overs. Likewise, during the later phases of the military dictatorships in Brazil and Peru , militant trade unions engaged in massive strikes to hasten the advent of democratic electoral politics. Subsequently, with the rise of post-neo-liberal regimes, most of the trade unions engaged in tripartite collective bargaining over narrow corporate' demands, eschewing any community-based struggles over broader social issues and, in many cases, supporting regime policies through co-opted leaders.

In other words 'trade unions', have at different times served as 'social vanguards' and allies of mass movements, mediators in social compromises and active collaborators and

transmission belts of the state. The same organizational concept a trade union covers contradictory responses to the demands of class struggle. The same is true of 'social movements'.

During the onset and onslaught of the neo-liberal regimes, the social movements played a leading role in challenging the ascendant regimes and overthrowing them during the economic crises. The 'movements' varied from locally-based unemployed urban workers in Argentina , to community-based Indian movements in Ecuador and Bolivia , to centralized rural workers movements in Brazil . With the rise of the post neo-liberal regimes and the upswing of the mega-cycle, the unemployed workers movements virtually disappeared in Argentina, important sectors of the Indian movement, especially the 'cocaleros' in Bolivia lost their autonomy and became a political prop for the Evo Morales regime, and the MST (or Landless Rural Workers Movement), diminished their land take-over activity in pursuit of economic subsidies from the Lula-Dilma regimes in Brazil.

What is striking about the notion of 'social movements' is that when the class struggle by older, established and/or co-opted movements declines, new vibrant movements burst onto the scene. In Bolivia the TIPNIS movement led the struggle against the extractive strategies of the Morales regime. In Brazil , the million-member urban mass movements challenged the policies, priorities and corrupt politicians of the Lula-Dilma regime. Eco-indigenous movements bypassed the co-opted trade union and social movements in Ecuador, Argentina, Paraguay and Peru ... New dynamic community-based civic and class organizations engage in mass confrontations with extractive-mineral multi-nationals and the state in Colombia, Peru, Ecuador and elsewhere.

The dynamic of extractive capital, with its radical policies of uprooting, displacing and dispossessing entire communities, provokes comprehensive, cross-class alliances, which challenge the power and prerogatives of the state to dictate development policy, at least with regard to regional exploitation of resources. With the decline of the extractive mega-cycle and the drop in demand for commodities and subsequent decline in prices, as growth in China, India and the rest of Asia slows, a new comprehensive 'national' (as opposed to regional) class struggle shows signs of returning. The elite debate class strategies. The extractive capital sectors demand intensified production to compensate for declining prices; others secure cut-backs in taxes and social costs; still others, in post neo-liberal regimes, call for a 'new development model' in the face of mass unrest (Lula DaSilva in Brazil). The center-left is squeezed by both ends of the class structure, in the post mega-cycle class conflict. Post neo-liberal regimes, fearful of the flight of capital, are pressured to make greater tax concessions to capital on the one hand, and fearful of the rising mass urban movements demanding positive and effective increases in public services and employment, vacillate between social concessions and police repression.

Given the high degree of 'dependence' built into the extractive model, extricating the regime from its links to commodity trade and building a new balanced model will involve a broader and deeper commitment to the popular classes and a return to class struggle from below.

#### Case Studies of Class Struggle from Above and Below

Class struggle has clearly been internationalized. Imperial intervention is a central part of class struggle from above and is endemic, whether in the form of multi-national corporations, investing and disinvesting, or via imperial state-promoted military coups and

destabilization policies or by direct or proxy military invasions.

Anti-imperialist class struggle from below is less prominent, yet manifests itself in international aid and solidarity policies from Venezuela via ALBA, international strategy meetings of peasants, indigenous people and solidarity movements. Yet the bulk of the class struggle against exploitation finds expression in movements by oppressed and dispossessed peoples who rely mainly on their own resource base in contrast to the ruling classes, which depend on strategic imperial allies.

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