

Latin America's Revolution Under Attack

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The Latin American revolution seemed unstoppable until recently. From El Salvador in the north to Argentina in the south, leftists elected since 1998 have implemented the greatest redistribution of wealth in the region's history, providing millions of jobs, free medical care and education, land reform and public subsidies, thereby lifting tens of millions of people out of poverty. Now, in Venezuela and Argentina, a resurgent right is using economic hardship to foment resentment and secure legislative victories.

In November 2015, after 12 years under a popular leftist government, voters in Argentina chose Mauricio Macri, right-wing former mayor of Buenos Aires, as their new president. A month later, Venezuelan voters handed 109 of 167 legislative seats to the centre-right Democratic Unity Roundtable (*Mesa de la Unidad Democrática*, or MUD)—the first time since 1999 that the United Socialists (*Partido Socialista Unido de Venezuela*, or PSUV) have not held the assembly.

Venezuela's angry opposition

Several factors converged to bring about the change in Venezuela. Foremost were the crash of oil prices, a campaign of economic sabotage or capital strike by local business elites (including price speculation and the hoarding of key consumer items to create scarcity) and a media war carried out by the political opposition in league with Washington. MUD picked up 2.4 million more votes in the December election than in 2010, while about two million PSUV supporters chose not to vote in protest of the government's handling of the food shortages.

"These voters are upset by the way the government of Nicolás Maduro has handled the economy," says Antonio Garcia, an analyst of Venezuelan and Latin American politics who recently stepped down as Venezuela's ambassador to the European Union. "Maduro failed to effectively explain to the people how the economic sabotage against Venezuela negatively impacts them and failed to implement measures to effectively confront this economic war. The public had the perception that the Maduro government was not doing enough to counter this attack and I believe that perception did more harm to the PSUV than the economic situation itself."

Garcia points out that the economic problem in Venezuela is not very different from what is happening in other Latin American countries, though it is felt more acutely. The Venezuelan economy, and the Bolivarian Revolution of Hugo Chávez generally, have been propped up for 15 years by high oil prices. The rout in the price of oil and other commodities has constrained state efforts to redistribute national wealth and expand equalizing social services. In Venezuela, oil revenues—which account for 95% of export earnings and 25% of GDP—have been cut by 60% in the past few years, leading to inflation of 140%, soaring food

prices and currency destabilization.

According to Venezuelan-Canadian sociologist Dr. Maria Páez Victor, the fall in the price of oil “has been a godsend to the U.S. attempts to destabilize Venezuela politically and economically, which have been ongoing since 2002.” These include U.S. involvement in a military coup and economic sanctions imposed by U.S. President Obama on state-owned oil company PDVSA based on the premise that Venezuela presented an “unusual and extraordinary threat” to the United States.

As I’ve written previously in the *Monitor* (April 2015), the U.S. has given anti-PSUV opposition groups more than \$100 million since 2002 to undermine and overthrow the Maduro/Chavez government. Most of Venezuela’s privately owned news media are also hostile to the PSUV, and their attacks on the government are widely quoted by the international capitalist press. During the December election, the media blamed only the government for the economic crisis, mocking the possibility of a planned emergency, and repeatedly predicted the implosion of the country.

But winning one election does not mean the opposition can derail the profound progressive transformation of Venezuela that the PSUV has carried out. Paez Victor points to a survey carried out in January, by the non-partisan polling company Hinterlaces, which showed 79% approval of the socialist economic policies of the government. The MUD opposition is made up of 20 parties that are united on only one issue: the removal of Maduro from office before his term ends in 2019. It is an unlikely prospect.

While the coalition decried a supreme court decision in February to grant Maduro emergency powers to handle the economic crisis, it has no positive solutions of its own. Even the notoriously anti-Chavez *New York Times* was still, in March, calling for co-operation between the government and opposition rather than a complicated and potentially violent confrontation the latter cannot win.

A slick new president in Argentina

The fall in commodity prices has also affected political fortunes in Argentina where a new president is making good with Wall Street’s vulture capitalists, pulling out of Bolivarian Revolution projects like TeleSUR, and inviting the International Monetary Fund to audit the public books (read: proscribe austerity) for the first time in a decade.

From 2003 to 2015, under the leftist governments of Cristina Fernández de Kirchner and her husband Néstor Kirchner, the Argentine economy grew by an amazing 78%, creating one of the biggest increases in living standards in Latin America. Wealth redistribution programs reduced poverty by 70% and extreme poverty by 80%. Unemployment fell from 17.2% to 6.9%. Since 2012, however, growth has slowed to an annual average of 1.1%, inflation has been high and the fall in commodity prices, notably for cash crop soybean, has driven the country into recession. A third of Argentina’s exports are agricultural products including grain and beef.

With approval ratings above 50%, despite blurry allegations of corruption from opponents, Fernandez remained popular into October 2015, but she was constitutionally barred from running for another term. Her chosen replacement, Daniel Scioli, ran a lacklustre campaign that failed to capitalize on her reputation or emphasize the Kirchners’ impressive record. During the election, Macri took advantage of this situation by positioning himself as a

“moderate” who, if elected, would continue some of Kirchner’s progressive policies, even promising “zero poverty.” He won by only 3% of the vote.

Since taking office, Macri has moved aggressively to the right, ruling by decree rather than run his policy through the left-dominated legislature. The president has devalued the national currency, the peso, by 40% (to increase exports, but with upward pressure on inflation), liberalized the financial sector by removing capital controls, lifted restrictions on imports, eliminated taxes on mining, ended subsidies for electricity, laid off thousands of civil servants, and pledged to finally pay US\$4.6 billion (\$6.02 billion) to the U.S. hedge funds that gamed Argentina’s 2001 bankruptcy for private gain.

For his efforts to reconnect Argentina to the neoliberal global order—Wall Street in particular—Macri got a special visit by Obama in March after the U.S. president’s official visit to Cuba. “Argentina is re-assuming its traditional leadership role in the region and around the world,” Obama said, referring endearingly to Macri as “a man in a hurry.” IMF Managing Director Christine Lagarde is likewise “encouraged” by the new president. The IMF will issue a series of further economic reform proposals after it concludes its audit of Argentina’s books. It is the standard “shock doctrine” at work.

“Macri is a disaster for the economy, but he is even worse for human rights,” says Argentinian-Canadian Antonio Savone, who was imprisoned and tortured by the vicious military dictatorship that ruled Argentina from 1976 to 1983. The dictatorship killed 30,000 Argentines. In 2015, Savone returned to Argentina to testify against the military officers who tortured him and also in the trial of Rosa del Carmen Gomez who was raped repeatedly by officers for months in front of Savone as they shared the same prison cell.

As part of a reconciliation project, the Kirchner governments have imprisoned hundreds of military officers for murder and torture, including those in Savone’s and Carmen Gomez’s cases, in a determined effort to bring justice to a traumatized society. But Macri has dismissed the importance of continuing these trials, insisting that Argentina deal with “21st century” human rights issues instead.

According to Savone, the new president has moved to enforce a level of repression in Argentina that “has not been seen for 13 years.” This includes criminalizing demonstrations and suppressing them with tear gas and rubber bullets, and jailing Milagro Sala a prominent social activist, on charges of fraud—an act that was criticized by Pope Francis in February. Sala is the leader of the Túpac Amaru organization in the poor province of Jujuy. The organization which is made up of 70,000 mostly Indigenous members, operates schools, health clinics, and textile factories for the poor and has built entire neighbourhoods with subsidies from the Kirchner government.

“What Sala has done is amazing,” says Savone. “Her arrest shows that Macri is set on attacking social movements.”

Macri’s shock treatment is going to fail, Savone concludes, “because Argentines are now much better organized than they were in 2001.” On February 24, tens of thousands of public sector workers launched the first national strike against Macri with massive protests against layoffs and spiralling inflation. The workers blocked the streets in front of the Argentine legislature in Buenos Aires and the police refused to face them despite the new powers that Macri has given security forces to suppress demonstrations.

“The people of Argentina have had 13 years of successful leftist government backed by powerful labour unions and they are not going to let some millionaire turn their country back into a fiefdom for the rich,” says Savone.

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