

# Big Business Strikes Back: The Class Struggle from Above. The Neo-Liberal “New Order”

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Global Research, October 27, 2018

Region: [Latin America & Caribbean, USA](#)

Theme: [Global Economy](#), [Police State & Civil Rights](#)

*Bankers, agro-business elites, commercial mega owners, manufacturing, real estate and insurance bosses and their financial advisers, elite members of the ‘ruling class’, have launched a full-scale attack on private and public wage and salary workers, and small and medium size entrepreneurs (the members of the ‘popular classes’). The attack has targeted income, pensions, medical plans, workplace conditions, job security, rents, mortgages, educational costs, taxation, undermining family and household cohesion.*

*Big business has weakened or abolished political and social organizations which challenge the distribution of income and profits and influence the rates of workplace output. In brief the ruling classes have intensified exploitation and oppression through the ‘class struggle’ from above.*

*We will proceed by identifying the means, methods and socio-political conditions which have advanced the class struggle from above and, conversely, reversed and weakened the class struggle from below.*

## Historical Context

The class struggle is the major determinant of the advances and regression of the interests of the capitalist class. Following the Second World War, the popular classes experienced steady advances in income, living standards, and work place representation. However by the last decade of the 20<sup>th</sup> century the balance of power between the ruling and popular classes began to shift, as a new ‘neo-liberal’ development paradigm became prevalent.

First and foremost, the state ceased to negotiate and conciliate relations between rulers and the working class: the state concentrated on de-regulating the economy, reducing corporate taxes, and eliminating labor’s role in politics and the division of profits and income.

The concentration of state power and income was not uncontested and was not uniform in all regions and countries. Moreover, counter-cyclical trends, reflecting shifts in the balance of the class struggle precluded a linear process. In Europe, the Nordic and Western European countries’ ruling classes advanced privatization of public enterprises, reduced social welfare costs and benefits, and pillaged overseas resources but were unable to break the state funded welfare system. In Latin America the advance and regression of the power, income and welfare of the popular class, correlated with the outcome of the class and state struggle.

The United States witnessed the ruling class take full control of the state, the workplace and distribution of social expenditures.

In brief, by the end of the 20<sup>th</sup> century, the ruling class advanced in assuming a dominant role in the class struggle.

Nevertheless, the class struggle from below retained its presence, and in some places, namely in Latin America, the popular classes were able to secure a share of state power – at least temporarily.

#### Popular Power: Contesting the Class Struggle from Above

Latin America is a prime example of the uneven trajectory of the class struggle.

Between the end of World War Two and the late 1940's, the popular classes were able to secure democratic rights, populist reforms and social organization. Guatemala, Argentina, Uruguay, Brazil, Mexico, Venezuela were among the leading examples. By the early 1950's with the onset of the US imperialist 'cold war', in collaboration with the regional ruling classes launched a violent class war from above, which took the form of military coups in Guatemala, Peru, Argentina, Venezuela and Brazil. The populist class struggle was defeated by the US backed military- business rulers who, temporarily imposed US agro-mineral export economies.

The 1950's were the 'golden epoch' for the advance of US multi-nationals and Pentagon designed regional military alliances. But the class struggle from below rose again and found expression in the growth of a progressive national populist industrializing coalition, and the successful Cuban socialist regime and its followers in revolutionary social movements in the rest of Latin America throughout the 1960's.



The revolutionary popular class insurgency of the early 1960's was countered by the ruling class seizure of power backed by military-US led coups between 1964-1976 which demolished the regimes and institutions of the

popular classes in Brazil (1964), Bolivia (1970), Chile (1973), Argentina (1976) , Peru (1973) and elsewhere.

Pinochet Military Junta, Chile 1973

Economic crises of the early 1980s reduced the role of the military and led to a 'negotiated transition' in which the ruling class advanced a neo-liberal agenda in exchange for electoral participation under military and US tutelage.

Lacking direct military rule, the ruling class struggle succeeded in muting the popular class struggle by co-opting the center-left political elites. The ruling class did not or could not establish hegemony over the popular classes even as they proceeded with their neo-liberal agenda.

With the advent of the 21<sup>st</sup> century a new cycle in the class struggle from below burst forth. Three events intersected: the global crises of 2000 triggered regional financial crashes, which in turn led to a collapse of industries and mass unemployment, which intensified mass direct action and the ouster of the neo-liberal regimes. Throughout the first decade of the 21<sup>st</sup> century, neo-liberalism was in retreat. The popular class struggle and the rise of social movements displaced the neo-liberal regimes but was incapable of replacing the ruling classes. Instead hybrid center-left electoral regimes took power.

The new power configuration incorporated popular social movements, center-left parties and neo-liberal business elites. Over the next decade the cross-class alliance advanced largely because of the commodity boom which financed welfare programs, increased employment, implemented poverty reduction programs and expanded investments in infrastructure. Post-neoliberal regimes co-opted the leaders of the popular classes, replaced ruling class political elites but did not displace the strategic structural positions of the business ruling class..

The upsurge of the popular class struggle was contained and confined by the center-left political elite, while the ruling class marked time, making business deals to secure lucrative state contracts via bribes to the ruling center-left allied with the conservative political elite .

The end of the commodity boom, forced the center-left to curtail its social welfare and infrastructure programs and fractured the alliance between big business leaders and center-left political elites. The ensuing economic recession facilitated the return of the neo-liberal political elite to power.

The big business ruling class learned their lessons from their previous experience with weak and conciliating neo-liberal regimes. They sought authoritarian and, if possible rabble rousing political leaders, who could dismantle the popular organizations, and gutted popular welfare programs and democratic institutions, which previously blocked the consolidation of the neo-liberal New Order.

The Neo-Liberal New Order

The neo-liberal "New Order" differed substantially from the past in several significant features.

First neo-liberal programs under the New Order were based on highly repressive leaders

- they did not merely depend on 'market discipline' and state promoted programs. Authoritarian political regimes established a framework to finance, protect and promote the consolidation of neo-liberal systemic changes.

Secondly, political ascendancy of the New Order relied on a coalition of ruling class elites, conservative upper middle-class property and professional groups and downwardly mobile lower middle classes fearful of personal and economic insecurity and the breakdown of the old social order.

Thirdly, the New Order was led by a demagogic leadership that called on direct political intervention, by retired and active military and police officials backed by armed landowner militia, lumpen street fighters (private gangsters) willing to intimidate leftist workers, landless peasants and unemployed trade unionists.

Fourthly the New Order elites mobilized the mass base of religious fundamentalists by targeting 'marginal groups'(gays, people of color, feminists,immigrants etc) who were portrayed as enemies of the family,nation and religion.

Fifthly ,the New Order deflected popular discontent to leftist corruption,immorality and impotence to combat crime in the streets.

The New Order is built on perpetuating neo-liberal ruling elites by destroying the political,social and economic institutions and rules of the previous electoral order('democracy').

In a word , big business led class struggle from above was not interested in free market 'reforms', the want it all-power ,profits,and privilege-without obligations,regulations or constraints.

#### The Future of the Neo-Liberal "New Order"

The authoritarian New Order has gained powerful patrons in rulers like US Presidents Trump and Brazilian President Jair Bolsonaro. They have neo-liberal allies in Argentina, Central America , Europe , Asia and the Middle East. They have embraced a powerful message of political-military bullying of traditional allies , economic warfare against dynamic competitors and a glorified vision of national grandeur to its mass followers.

Initially, the business elites prosper, the stock markets rise, taxes are lowered and state subsidies fuel euphoria and hopes among the masses that 'their turn is next'. Profits and police state 'law and order', link the business elite with the affluent middle class.

The combative popular classes are demoralized and disoriented by failed leaders and the retreat of social movements and trade unions from the class struggle

In contrast the international alliance of the authoritarian big business neo-liberals has a vision of global , regional and national power.

However sustaining their advance is conditional on dynamic economic growth and overcoming cyclical economic crises; on subverting class struggle from below; on finding substitute adversaries, as older ones lose thru mystifying appeals.

The corruption of upwardly mobile middle-class rabble rousers will disillusion their

voluntary followers. Arbitrary police and military repression usually extends to extortion and intimidation beyond the drug slums to the middle and working-class neighborhoods.

The authoritarian New Order usually begins to decline through 'internal rot' – uber-profiteering and flagrant abuse of work.

The rightist rhetoric turns against itself as its followers engage in invidious distinctions. The ruling class looks to shed its authoritarian shock troops and replace them with technocrats., free marketeers and malleable bourgeois politicians. The left and center-left looks to attract a new generation of followers in the street protests and seeks to form alliances with readily available opportunist politicians. A new political cycle takes shape – but will a new popular class struggle emerge?

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