

Extractive Capitalism and the Divisions in the Latin American Progressive Camp

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Introduction

The leading agro-mineral exporting countries, including those engaged with the world's leading mining and energy multi-national corporations(MNC) are also those characterized as having the most independent and progressive foreign policies. Apparently the primacy of "extractive capitalism" and commodity-export based economies are no longer correlated with 'neo-colonial' regimes.

It can be argued that the concessions to the extractive MNC and local 'leading' classes assures stability, steady revenues and finances the incremental social expenditures which permit the re-election of the center-left regimes. In other words a de facto alliance between the "top" and "bottom" of the class structure is the unstated bases for center-left electoral successes despite the growing political divergence between the regimes and sections of the social movements.

The Progressive Camp

There is a general consensus that regimes in seven countries in Latin America form what can be called the "progressive camp": Bolivia , Ecuador , Argentina , Brazil , Uruguay , Peru and Venezuela .

The identifying features usually attributable to regimes in these countries include

- (1) their past political trajectory: most are led by former leaders and activists from social movements, trade unions or guerrilla formations
- (2) their relatively independent foreign policy pronouncements especially regarding US intervention and sanctions policies
- (3) their ideology rhetoric rejecting US led regional bodies and favoring Latin American centered organizations
- (4) their populist electoral campaign programs regarding social equity, environmentalism and human rights
- (5) their vehement rejection of 'neo-liberalism' and traditional neo-liberal personalities, parties and privatizations
- (6) their strategic perspective that envisions a prolonged process of social transformation

that emphasizes an agenda featuring modernization, developmentalist priorities and high levels of investment oriented toward global markets (7) their prolonged political incumbency based on constitutional reforms permitting re-election justified by the need for completing the transformative vision.

The progressive camp has a self-image, projected inward to its electorate as representing a rupture or 'historical' break with the past, first with regard to the traditional neo-liberal oligarchy and secondly with the 'statist' left. In the case of Bolivia , Ecuador and Venezuela they frequently resort to rhetoric evoking "21st century socialism". The potency of the appeal to radical novelty has a limited time span dependent on the degree to which the regimes pursue policies in variance with the preceding neo-liberal regime.

The 'Left-Right Division' as Represented by the Progressive Camp (PC)

The perceptions of the objective and subjective divergence between the progressive camp and the right vary according to whether they emanate from official sources or from a critical empirical investigation.

According to the ideologues of the "Progressive Camp" (PC) there are at least five major policy areas which reflect the radical rupture with the traditional neo-liberal right.

(1) Nationalism:

(a) the PC through renegotiations of contracts with extractive MNC secures a higher rate of taxation, increasing revenues for the national treasury;

(b) via increased state investment it converts wholly owned private firms into public-private joint ventures;

(c) through increases in royalty payments it lessens 'foreign exploitation'; (d) through the greater presence of 'local technocrats' it increases national oversight of strategic economic decisions.

(2) Foreign Policy:

The progressive camp has pursued an independent, if not explicitly anti-imperialist foreign policy. The progressive camp has established several Latin American and Caribbean regional organizations which deliberately exclude the presence of North American and European imperial countries such as ALBA (Bolivarian Alliance of the Americas) and UNASUR (Union of South American Nations). The PC has rejected sanctions against Cuba , Iran , Syria and Gaza and opposed the US backed NATO war against Libya . They criticized the US position at the Summit of the America 's meeting in april 2012 on at least three major issues – inclusion of Cuba , opposition to British colonial control of the Malvinas and the de-penalization of drugs. The PC has expressed its opposition to US hegemony, to IMF "structural reforms" and Euro-US control over international lending institutions. With the exception of Venezuela , the PC has diversified its export markets. For example Brazil exports to the US only 12.5% of its goods and services; Argentina 6.9% and Bolivia 8.2%.

(3) Social Policy:

The PC has increased social expenditures, especially toward reducing rural poverty; increased the minimum wage; approved salary and wage increases. In a few countries they

provide easy credit and financing to small and medium businesses, have given legal title to land squatters and distributed plots of uncultivated public lands as a kind of 'agrarian reform'.

(4) Regulation:

The PC has, with varying degree of consistency, imposed controls over the financial sector, regulating the flow of speculative capital and the volatility of financial markets. With regard to the extractive sector regulations have been relaxed to permit the large scale inflow of capital and the pervasive use of toxic chemicals and genetically modified seeds by agro-business. They have permitted the expansion of mining, agriculture and the timber industry into Indian and natural reservations. They have financed large scale infrastructure projects linking extractive enterprises to export outlets trespassing onto previously regulated, protected natural habitats. Regulatory norms have been harnessed to facilitate 'productive' extractive developmentalism and to limit the financialization of the economy.

(5) Labor Policy:

has been based on a 'corporatist model' of business-state-trade union (tri partite) negotiations and conciliation to limit lockouts and strikes and maintain growth, exports and revenue flows. Labor policy has been conditioned by the policy of limiting budget deficits, fixing wage increases, to the rate of inflation. In line with orthodox fiscal policies, pensions for public sector workers have been frozen or reduced especially among the middle and high end functionaries. Traditional job security guarantees have been maintained not augmented and severance pay has not been raised. Strikes by public sector workers, especially among teachers, medical staff and social service workers have been frequent and have led to government mediation and marginal gains. Government policy has been oriented toward protecting managerial prerogatives, while respecting and upholding the legal status, collective bargaining rights of trade unions.

Within nationalized firms, state-appointed directors rule; there is no move toward worker self-management or 'co-management'-except in limited cases in Venezuela . The structure of labor relations follows the private corporate hierarchical model Labor has, at best, an advisory role regarding health and safety but no determining influences or investment within this corporate framework. Pressure via strikes and protest by trade unions have been necessary, frequently in alliance with community groups, to rectify the most egregious corporate violations of health and safety rules. While the progressive regimes publically eschew neo-liberal "labor flexibility" policies they have done little to expand and deepen labor prerogatives over the labor and productive process.

The principle difference in labor policy between the progressive regimes and the traditional right is the 'open door' to labor leaders, their willingness to mediate and grant incremental wage increases, especially of the minimum wage and generally, the reduction of harsh, violent repression.

Continuities and Similarities between Past Neoliberal and Contemporary Progressive Regimes

Writers, academics and journalists on the Right and Center-left emphasize the difference between the progressive and the past neo-liberal regimes, overlooking the large scale socio-economic and political structural continuities. A more nuanced, balanced and objective

analysis requires that these continuities be taken into account because they play a major role in discussing the limitations and emerging conflicts and crises facing the progressive regimes. Moreover, these limitations, based on the continuities, highlight the importance of alternative development models proposed by popular social movements.

The agro-mineral export model has demonstrated profound strategic deficiencies in its very structure and performance. The promotion of agro-mineral exports has been accompanied by the large-scale, long-term entrance of foreign capital which in turn determines the rates of investment, the sources for inputs of machinery, technology and 'know-how', as well as control over the marketing and processing of raw materials. The MNC "partners" of the progressive regimes have conditioned their involvement on the bases of (a) the deregulation of environmental controls; (b) the termination of price controls and the introduction of "international prices" for sales to the domestic market; (c) freedom to control foreign exchange earnings and to remit profits overseas.

They also control decisions regarding the exploitation of mineral reserves. Expansion of production is dependent on their own global criteria rather on the needs of the 'host' country. As a result, despite the "re-negotiated" contracts, which the progressive regimes hail as a "giant advance" toward "nationalization", the cumulative losses in revenues and in rebalancing the economy are substantial. If one looks beyond the agro-mineral enclave the negative impact to further development are substantial. The very limited impact that the agro-mineral model has on the economy as whole has led to occasional conflicts between the MNC and the progressive host governments.

A case in point is the conflict between the nominally Spanish oil company Repsol and the Argentine government of Cristina Fernandez in April 2012. Repsol's behavior illustrates all the pitfalls of collaboration with foreign overseas extractive corporations. Repsol refused to increase investments, claiming that local regulated prices reduced profit margins.

As a result Argentina's energy bill rose three-fold between 2010 and 2011 from \$3 billion to \$9 billion. Furthermore, Repsol repatriated its profits, paid high dividends to overseas stockholders and thus had little impact in creating domestic industries producing inputs or refineries to process petroleum. The attempt by the deceased President Kirchner to increase 'national ownership' by bringing in a local private capitalist, (the Peterson Group) had no positive impact, merely entrenching Repsol's control. When Fernandez took majority shares in order establish public control and increase local production, the entire Eurozone leadership led by the Spanish government and the Western financial press launched a virulent campaign, threatened litigation and predicted economic disaster. The problem of 'inviting' foreign MNCs to invest is that it is hard to disinvite them. Once they enter a country no matter how unfavorable their performance, it is difficult to rectify or undo the damage and move onto a new public centered model of development.

All the progressive regimes with the possible exception of Venezuela have signed long-term large-scale contracts with major foreign extractive multi-nationals. Apart from the increase in royalties these agreements do not differ greatly from contracts signed by preceding right-wing neo-liberal regimes.

Evo Morales signed a large scale exploitation contract with Jindal, and Indian multi-national to exploit the iron-mine Mutun with virtually all inputs - machinery, transport, etc. - imported and with very limited 'industrializing' of the raw iron ore - mostly simple iron 'nuggets'. The bulk of Bolivia's gas and oil is exploited by foreign MNC-public 'joint ventures'

and is shipped abroad, leaving most of the 60% rural households without piped gas, and resulting in Bolivia's importing most of its diesel.

Ecuador under President Correa, another leading progressive president, signed two big contracts with foreign oil groups in February 2012, despite the opposition of the majority of Indian organizations including CONAI. In Ecuador, as in Bolivia, big oil and gas companies, while raising objections to the re-negotiations of contracts leading to an increase in royalty payments and an increased presence of public officials, retain a privileged position in crucial decisions regarding management, marketing, technology and investment. Despite claims to the contrary, the leaders of the progressive regimes sign off on these strategic agreements without consulting the communities affected. Decisions are based exclusively on executive privilege. The style and substance of the distribution of the powers and privileges in the oil and gas agreements between the progressive governments and the multi-nationals are no different than what transpired under previous 'neo-liberal' regimes. Moreover, in both Ecuador and Bolivia many of the "technocrats" and administrators who worked under the previous neoliberal regimes play a prominent role in running the joint venture.

While progressive regimes have pursued anti-poverty programs and have registered some successes in reducing poverty levels, they do so as a result of the growth of the economy not via the redistribution of wealth. In fact the progressive regimes have not pursued redistributive policies: income and land concentrations, including high levels of inequality remain intact. In fact the hierarchy of the class structure has not been altered and in most cases has been reinforced by the inclusion of new entrants into the upper and middle class. These include many former leaders and activists from the lower middle and working class who have entered the government as well as 'new capitalists' benefiting from state contract agreements with the progressive regime.

The financial system has remained intact and prospered under the progressive regimes, especially because of the regimes' tight fiscal policies, build-up foreign reserves, control over government spending and low rates of inflation. Financial sector profits are especially high in Brazil, Uruguay, Peru, Bolivia and Ecuador. Brazil in particular has attracted large inflows of speculative capital from Wall Street and the City of London because of its high interest rates relative to the rates in North America and Europe.

Alongside the concentration of ownership in the extractive and financial sector, the progressive regimes have not introduced progressive taxes to reduce the disparities of wealth. The income of the agro-business elites in Bolivia, Argentina, Uruguay, Brazil and Ecuador are several hundred times that of the bulk of subsistence farmers, peasants and rural laborers. Many of the latter remain subject to brutal working and living conditions. In many cases the progressive regimes have done little to enforce the labor and health codes in the giant agro-business plantations while workers are subject to unregulated toxic chemical sprays.

If the configuration of ownership and wealth remains relatively unchanged from the neo-liberal past, the progressive governments have accentuated the tendencies toward export specialization. Under the progressive governments the economies have become less diversified and more dependent on agro-mineral and energy exports, and more dependent on large scale long term foreign investments for growth. State revenue and growth are more dependent on primary product exports.

The free market policies of the progressive agro-mineral export regimes have stimulated the growth of large scale commercial activity. The commercial sector is increasingly influenced by the large scale entrance of foreign owned multi-nationals, like Wal-Mart, who source their products overseas, undermining local small scale producers and retailers.

The appreciation of the currency has adversely affected traditional manufacturers and the transport industry causing significant job losses especially in textiles, footwear and automobiles in Brazil , Bolivia , Peru and Ecuador . Moreover, favorable policies promoting large scale agro-mineral exporters has been accompanied by a credit squeeze on local small business people, especially, producers for local markets who have been hit hard by the import of cheap consumer goods (from Asia). Farmers producing food for local markets have been downgraded in the drive to expand cultivation of export crops like soya.

In summary, the progressive regimes have pursued a multi-faceted double discourse: an anti-imperialist, nationalist and populist rhetoric for domestic consumption while putting into practice a policy of fomenting and expanding the role of foreign extractive capital in joint ventures with the state and a rising new national bourgeoisie. The progressive regimes articulate a narrative of socialism and participatory democracy but in practice pursue policies linking development with the concentration and centralization of capital and executive power.

The progressive regimes preach a doctrine of social justice and equity and a practice of co-optation of social leaders and clientalism via poverty programs for the poorest sectors of society.

The progressive regimes have combined incremented income policies with large scale structural changes, benefiting the extractive-primary sector. Stability of the PC is utterly dependent on the increasing demand for raw materials, high commodity prices and open markets. The progressive regimes have successfully linked trade union and sectors of the peasant movement to the state and have undermined or weakened independent class organizations and replaced them with corporate tri-partite structures.

The progressives have successfully 'reformed' or replaced the chaotic, de-regulated, conflictual, racist policies of their predecessors and institutionalized "normal capitalism". They have introduced rules and procedures favorable to institutional stability, fiscal discipline and incremental but unequal gains. In other words the "parameters of neo-liberalism" are now effectively administered and legitimated by faux nationalism based on greater political autonomy and market diversification. Centralized executive decision making based on agreements which require extractive MNC to invest and develop the forces of production is legitimated by an electoral framework and a multi-class political coalition.

The domestic and foreign policies of the progressive extractive regimes reflect two contradictory experiences: their radical origins in the lead-up to taking power and their subsequent adoption of an agro-mineral developmentalist export strategy, favored by neo-liberal technocrats. The "synthesis" of these two apparently "contradictory" experiences finds expression in the adoption of an independent, critical political position toward imperialist militarism and interventionism and economic collaboration with the agencies of economic imperialism, namely the signing of long-term and large scale contracts with US-EU-Canadian agro-mining and energy multi-nationals. In other words the progressive extractive regimes have 'redefined' or reduced imperialism to mean its state structures and policies rather than its economic components (MNC) which are engaged in the extraction of

raw materials and exploitation of labor. In the same fashion, they redefine 'anti-imperialism' to mean opposition to political-military interventions and a 'fair distribution' of profits between the regime and its MNC "partner". This redefinition allows the progressive regimes to claim popular legitimacy on the bases of periodical criticisms of the policies and practices of the imperial state while collaboration and agreements with the MNC allow the progressive regimes to retain support from domestic and overseas business interests.

When a progressive regime, as is the case of Argentina ruled by Cristina Fernandez, decides to "nationalize" or more correctly secure the majority shares in Repsol, the nominally Spanish oil multi-national, the entire financial press, the European Union and Washington denounce the move and threaten reprisals. In other words the unstated pact between the progressive camp and the imperial regimes is that political differences are tolerable but nationalist economic measures are not acceptable. Renegotiations of contracts to increase state revenues may cause a temporary suspension of new investments but not a political confrontation. However, the public takeover of a foreign extractive firm evokes predictable hostility and retaliation from the imperial states. The Argentine progressive regime's embrace of a policy of economic nationalism was, however, enterprise and sector specific.

The Fernandez regime did not, and has no future plans, to expropriate other extractive firms, nor was the measure part of a general nationalist strategy to shift toward greater public ownership. Rather Repsol's refusal to increase investments and production was increasing Argentina's dependence on imported oil, which was deteriorating its balance of payments and foreign currency reserves.

Repsol's refusal to comply with Argentina's developmentalist agenda was based on the Fernandez policy of maintaining the retail price of oil for the domestic market below the international price. Repsol's decline in production was a way of leveraging the regime to lift price controls. However, a higher petrol price would have a negative impact on industrial and private consumers, raising costs and reducing the competitiveness of the Argentine exporters and domestic producers. In effect Repsol's intransigence threatened to undermine the social and political balance of forces between labor and capital and between extractive exporters and popular consumers, which sustained the regimes majoritarian coalition. In brief the measure was nationalist in form but capitalist developmentalist in content.

Even so the measure polarized the global economy between the imperial west and the Latin American left, with the usual imperial satraps in Latin America (Mexico's Calderon and Colombia's Santos) backing Repsol.

Divisions between the Progressive Regimes and the Social Movements

Prior to coming to power via electoral processes, the progressive leaders maintained close ties and actively supported and participated in the 'street action' and mass struggle of the social movements. They embraced the banners of economic nationalism, ecological conservation and respect for the natural reserves of the Indian communities, social equality and reconsideration of the foreign debt including the repudiation of 'illegal debts'.

The social movements played a major role in politicizing and mobilizing the working and peasant classes to elect the progressive Presidents. This convergence was short-lived. Once in power the progressive regime appointed orthodox economic ministers to run the economy. They adopted the extractive strategy, shifted from a nationalist public sector economy, designed to diversify the economy, to a 'mixed economy' based on joint ventures

with overseas extractive capital. First the Indian communities of Peru , Ecuador and some sectors in Bolivia went into opposition, on the bases that their interests were neglected and they were not consulted. Secondly sectors of the working class and public employees struck demanding higher salaries, an increase in public spending .Small farmers and manufacturers demanded economic stimulus for family farms and local industry rather than subsidies for agro-mineral MNC, fiscal orthodoxy and export strategies based on lower labor costs and neglect of the domestic market.

Radical trade union peasant and Indian leaders of the social movements called into question the entire agro-mineral extractive strategy, the distribution and administration of state revenues and expenditures. They reasserted their support for a social program embracing agrarian reform, including the expropriation of large plantations and the redistribution of land to landless peasants. Workers' leaders called for an industrial policy to process 'raw materials' in order to create manufacturing jobs. Some trade unionists called for the nationalization of strategic industries and banks. However, despite some major protests, the bulk of the followers of the social movements and the majority of their leaders soon shifted from radical rejection of the extractive model to demands for a bigger share of the revenues. The progressive regimes attracted the bulk of the social leaders to tri-partite councils of conciliation to negotiate and secure incremental changes. The progressive regimes highlighted their opposition to "neo-liberalism". They redefined it as unregulated capitalism based on low royalties and underfunding of social programs. The progressive regimes successfully divided the social movements between "utopian" radical opponents and progressive reformists. In time of social strife the progressive regimes evoked a "left-right alliance", charging their social critics of acting on behalf of imperialism, impervious to their own collaboration with imperial based multi-nationals. Presidential appeals, a nationalist populist discourse and increased revenues which funded increased social expenditures weakened the left opposition. Moderate but sustained increases in anti-poverty programs and minimum wages neutralized the appeal of the radical leaders in the social movements. Despite the progressive regime's break with its 'radical egalitarian roots' it was more than able to secure large scale mass electoral support, based on the overall dynamic growth of the economy and steady growth of income. Both were underpinned by long-term high commodity prices.

Popular extractivist presidents repeatedly won elections by substantial majorities and were able to mobilize sectors of the moderate social movements to counter anti-extractivist social movements. The high prices of commodities and multiple opportunities for exploitation of resources attracted foreign investors despite higher royalty payments. Foreign investors were attracted by the social stability ensured by the progressive regimes in contrast to the instability of the previous neo-liberal regimes. The progressive regimes thrived on economic ties with the MNC and an electoral alliance with the lower classes.

Case Studies of Extractive Capitalism and the Progressive Camp

While the seven regimes which form the 'progressive camp' share a common development strategy based on the export of primary commodities there are significant differences in the levels of diversity of their economies, the nature and character of the commodities which they export, the degrees of social polarization and social cohesion and the size and scope of the opposition. In line with these differences there are also substantial differences in the degree to which the "progressive and extractive model" is sustainable or subject to upheaval or reversal.

The progressive camp can be divided in many ways: between those regimes based on charismatic leaders and extreme dependence on primary exports (Bolivia , Peru , Ecuador and Venezuela) and those with developed industrial sectors and 'institutionalized political leadership (Brazil , Argentina , Uruguay). There are also significant differences in the degree of class and ethnic conflict: Peru , Bolivia and Ecuador are experiencing significant mass resistance from substantial Indian communities, while in Brazil , Argentina and Uruguay , where the Indian population is sparse there is only isolated opposition. In terms of class struggles, Bolivia , has experienced wide spread protests by health, education, mining and factory workers. Venezuela has faced lockouts and boycotts organized by the economic elite ("class struggle from above"). Ecuador faced widespread protests from the police. Most of the rest of the countries (Brazil , Argentina and Uruguay) faced limited strikes largely on wage issues. With the exception of Bolivia , the major trade union confederations work closely and collaborate with the progressive regimes; in contrast the peasant and rural workers movements in Brazil , Ecuador and Peru have retained a greater degree of independence and militancy largely because they have been the most prejudiced by the agro-mineral export strategies. In Venezuela and Brazil landlord's private armies have played a major role in combatting land reform beneficiaries with relative impunity.

The most pervasive and environmental degradation has occurred in Brazil , where millions of acres of rainforest have been "cleared" during the decade of Workers Party rule. Chemical exploitation of agriculture is strong in most countries especially in Brazil , Argentina and Uruguay where soya production has become a dominant crop. All the major agro-industrial exporters (Brazil , Argentina and Uruguay) rely on toxic chemicals and GM seeds with numerous cases of toxic consequences for indigenous residents and their natural habitat. The issue of toxicity and environmental degradation resulting from the giant mining and timber companies has been well documented in Peru , Ecuador and Uruguay . Overall, the greater the urban population and the more dispersed the rural communities adversely, affected, the smaller the environmental protest and the likelihood that NGO ecologists play a leading role in protest.

Since the extractive industries are outside of the major urban centers; since most of the major trade union confederations collaborate with the progressive regimes and secure incremental wage increases and since the overall economy has been growing and unemployment has declined, macro-economic imbalances, commodity dependency and related structural vulnerabilities have not resulted in major confrontations between labor and capital. The most contentious conflicts which have occurred have been between the orthodox neoliberal elites backed by US and European powers and the progressive regimes. Several cases come to mind.

On April 12, 2002 and in December - February 2003 the Venezuelan capitalist class backed by the US and Spain organized an abortive coup which was reversed and a petrol industry lockout that was defeated. An uprising in 2011 led by the police in Ecuador and an abortive coup in Bolivia were put down successfully, before they gained traction. A large scale agro business protest in Argentina in 2008 which paralyzed the agro-export sector against an export tax ended with regime concessions.

In large part, these "class struggles from above" worked in favor of the progressive regimes because it allowed them to pose the issue as one between a popular democratic regime and a retrograde authoritarian oligarchy. As a result the progressive regimes were able to neutralize, at least temporarily, internal critics from the left. The defeat of "the Right" burnished the credentials of the progressive camp and raised their popularity.

While popular support was important in sustaining the progressive regimes against US and EU backed rightist destabilization campaigns, of equal or greater importance was the backing of the military, sectors of the business elite and extractive capitalists. The progressives by adopting “moderate policies” – including business subsidies and generous pay hikes to the military – were able to divide the elite, retain support of the military and isolate the rightwing opposition. The rightwing has remained electorally marginal and provide very limited leverage for US-EU interference and influence over the progressive agenda.

The degree of “progressiveness” within the progressive extractive capitalist camp varies substantially.

The Chavez government has advanced an anti-imperialist and socialist agenda involving the rejection of US coups, wars and blockade of independent states: it has supported the re-nationalization of oil, aluminum and other raw material, mining and energy sources. Its extensive agrarian reform benefiting 300,000 families is aimed at food self-sufficiency. Universal free public health and higher education and subsidized basic food prices via publicly owned supermarkets; and large scale low cost public housing for the poor along with literacy campaigns and the formation of thousands of neighborhood councils to adjudicate and resolve local issues have deepened and extended the socialization process

On a far lesser scale, Bolivia, Ecuador and Argentina have pursued independent foreign policies. Their partial and selective nationalizations are designed to increase revenues rather than as part of a long term, large scale strategy of transformation. They have not followed Chavez’s lead on agrarian reform and on greater enhancement of social spending on health, housing and higher education. They offer remote, public lands of dubious quality as “land reform”. They have been advocates of incremental changes involving wage and social benefits commensurate with the rise in revenues from commodity exports and in line with the rate of inflation, Bolivia and Ecuador have dislodged land squatters and defended the major agro-business land holdings.

The least ‘reformist’ regimes with the most dubious ‘progressive’ credentials are Brazil, Uruguay and Peru (under Humala) which have adopted a free market agenda; they actively promote large inflows of unregulated foreign investments, degrade millions of acres of the rain forests (Brazil especially), promote agro-business and oppose agrarian reform in all of its forms, relying on the dispersion of peasants and landless to the cities, towns where they serve as a labor reserve for capital or join the low paying informal sector. These “moderate” progressive regimes have signed military accords with the US, and adopt a low profile in opposition to US imperial policies in the Middle East.

Their “progressiveness” is found in their support of regional integration, their opposition to US hemispheric hegemonism (opposing the US coup in Honduras, blockade of Cuba and interference in Venezuela) and the diversification of overseas markets. Brazil leads the way in catering to Wall Street speculators and in government anti-poverty spending on minimum food baskets. Poverty reduction is matched by the spectacular growth of millionaires linked to the finance and agro-mineral export sector. The “moderate” progressives have the most egregious (and well documented) record of ongoing environmental degradation. In Peru, Humala has given the green light to mining exploitation threatening the livelihood of thousands of peasants and local business in Cajamarca; Presidents Lula da Silva and Dilma Rousseff, of the Workers Party, promoted the destruction of millions of acres of the Amazon rain forest and displacement of scores of Indian communities in a decade. In Uruguay the

Broad Front Presidents Tabaré Vasquez and Mujica promoted the highly polluting Botina cellulose factory contaminating the Parana River despite mass protests.

In summary it is difficult to generalize about the performance of the progressive camp given the divergences in social and economic policies. But a “report card” of sorts can be drawn up.

All regimes have lowered poverty levels and increased dependence on agro-mineral exports and investments. All have signed and/or renegotiated contracts with extractive MNC’ few have diversified their economies. Those with a substantial industrial base (Argentina , Brazil , Peru) have suffered a severe decline in the manufacturing sector because of appreciating currencies and loss of competitiveness resulting from high prices for commodity exports. Incremental wage agreements have led to low level social conflicts in the cities (except in Bolivia) but displacement of peasants and degradation have intensified conflicts in the interior between rural communities and the MNC leading to state repression (Peru).

The social impact of the progressive regimes has the widest variation, with Venezuela registering the most far-reaching structural changes and the rest lacking any vision or project for redistributing wealth, income or land. Their common support for regional integration is matched by important divergences in accommodation to US military policy. Venezuela , Ecuador and Bolivia , the members of ALBA, reject military treaties, while Brazil , Uruguay and Peru have signed military agreements with the Pentagon.

The overall economic performance is mixed. Brazil’s economy, especially its manufacturing sector, is stagnating with zero or negative growth in 2011-2012, Venezuela is recovering, but with over a 20% rate of inflation ,while the rest of the PC is experiencing steady growth, but increasing dependence on commodity exports to the Asian (China) market.

Alternatives to the status quo extractive economies vary enormously. In Venezuela the regime has made diversification a high priority; the Brazilian and Argentine regimes are taking protectionist measures to promote industry with limited success especially as their policies are countermanded by the real expansion of acreage for soya production and exports. Uruguay , Peru , Ecuador and Bolivia talk of diversification but have avoided taking measures to shift to food production and family farming and have yet to take concrete measures to stimulate local industry via a publicly funded industrialization policy.

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