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**SOCIAL MOVEMENTS AND THE STATE:  
POLITICAL POWER DYNAMICS IN LATIN AMERICA**

by

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Economic and social development requires changes in the structure of class relations and the configuration of political power. The question is how to bring about these changes. This question continues to bedevil social and political analysis, and politics, notwithstanding the plethora of studies into, and decades of theorizing about, the political dynamics of struggles and power relations in different contexts and conjunctures. Related questions that also remain unsettled include questions about the organisational form that social change should take and the politics involved. Change under what conditions and in what direction? On the basis of what agency and strategy? Despite the probes of political sociologists into these dynamics such questions remain at issue in as yet unsettled debates. Nevertheless on one issue there is considerable agreement, if not consensus: the road towards social change is paved with political power. The issue, in fact, is how to gain control of the state, the major repository of political power in regards to both the allocation of society's productive resources and the coercive power to enforce public policy.

Referring to developments in Latin America it is possible to identify three basic modalities of *social change* and *political power*. One is electoral politics – the pursuit of political power on the basis of political parties, which, as Max Weber noted years ago, were formed to this purpose. Another involves the construction of social movements. Unlike political parties social movements are not organized to pursue power as such. Although they are clearly engaged in the struggle over state power this struggle is an inescapable consequence of their quest for social change and anti-systemic politics of mass mobilization. A third way of ‘doing politics’ (social change via political power) in the context of developments in the 1980s and 1990s) entails social action in the direction of local development. This form of politics seeks to bring about social change (and a process of economic and social development, i.e., improvements in the lives of the poor) not through a confrontation with the structure and agencies of political power but through the accumulation of social capital (the capacity of the poor to network and organize collectively) within the local spaces available within this structure. This concept of ‘social capital’ is central to and defines the dominant approach towards social change in the mainstream of development theory and practice within the framework of the neoliberal model (Dasgupta and Serageldin 2000; Harris, 2001; Woolcock and Narayan 2000).<sup>1</sup>

Whereas the electoral road to political power requires conformity to rules set by ‘the political class,’ social movements generally take a confrontational approach towards change and pursue a strategy of mass mobilization of the forces of resistance against the system and the political regime that supports it. In this context, structural and political dynamics are polarised between two fundamentally different approaches towards social change and political power. The action dynamics of this political option – *reform or revolution* in the classical formulation, or, *local development versus social movements*, in ours – are not new. With diverse permutations they can be traced out across Latin America. What *is* new are the dynamics of change associated with the advance of an alternative social’ or ‘non-political approach – a ‘new way of doing politics’ associated with the rise of grassroots, community forms of social organization and local development. The dynamics of this approach is a central issue in political developments across Latin America today.

## **The Capitalist State in Latin America**

The neoliberal model is predicated on a minimalist state – withdrawal of the state from the process of economic and social development and its replacement with the ‘free market,’ a structure supposedly freed from the constraints of government regulation and other interferences in the normal workings of a system in its allocation of society’s productive resources (to determine ‘who gets what,’ or, in the language of economics, securing an appropriate ‘return’ to

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<sup>1</sup> The World Bank, the Inter-American Bank and other multilateral organisations in the process of ‘international cooperation for development, a project that can be traced back to the post Second World War geopolitical concern that countries might be tempted towards a socialist path of national development, have elaborated variations of an approach, a model of development based on the accumulation of ‘social capital’. The literature on this approach towards social change and economic development is voluminous, most of it supportive. For a critical perspective on this model and the ‘social capital’ approach towards development (micro-projects) and politics (local democracy and governance) see, inter alia, Harris (2001), McLean et al. (2002) and Schuller (2000).

each factor of production). Conditions for this retreat of the state emerged in the early 1980s, following the first round of neoliberal policies linked to the region-wide external debt and fiscal crisis. The first neoliberal experiments were led by military regimes in the southern cone of South America (Chile, Argentina, Uruguay) under conditions of a ‘dirty war’ against ‘subversives’ (unionists, political activists, etc.).

A second round of neoliberal reforms, implemented under conditions of ‘redemocratisation’ (the rule of law, constitutionally elected civilian regimes and the emergence and strengthening of ‘civil society’ (a sphere of groups and associations between the family and the state). This round of ‘reforms’ allowed for and induced the widespread transfer of property, productive resources and incomes from the working class and the mass of direct producers to an emerging capitalist class of investors and entrepreneurs. With the popular classes experiencing the brunt of the sweeping structural reforms associated with the ‘new economic model’ (neoliberal free market capitalist development) and bearing most of its social costs (social inequalities, unemployment, low income, social exclusion and poverty), widespread discontent spawned several waves of protest movements directed against the system. The neoliberal policy regimes became ungovernable, generating pressures to move beyond the Washington consensus. The outcome was the construction of a new policy regime – a neoliberal program of macroeconomic policies combined with a new anti-poverty social policy and the institutionality of a ‘new economic model’ (Bulmer-Thomas, 1996).

Parts of this model, such as a policy of administrative decentralization and a social policy that targets the poor for reduced public resources (a ‘new social investment fund), were widely implemented in the 1990s. Other elements of this model, such as the municipalisation of development and a system of ‘democratic or local’ governance based on the ‘participation’ of civil society (‘stakeholders’ in the development process) were experimented with on a relatively limited basis, primarily in Bolivia (Palma Carbajal 1995; Ardaya 1995; BID 1996; Blair 1997; Booth 1996).

These experiments constituted a third round of neoliberal policies but yielded few positive results in terms of economic growth and social development. By the end of the decade (the 1990s) and into the new millennium economic growth rates across Latin America were far from ‘robust’, a far cry from the prosperity and economic growth promised by the World Bank and the ideologies of neoliberal capitalist development. Indeed, ECLAC, a UN agency that over the years has led the search for an alternative to the (neo)liberal model, was compelled by the growing evidence of sluggish and negative growth rates and a propensity towards economic crisis (in the late 1990s, after two decades of neoliberal reforms) to project ‘a new decade lost to development.’ Other erstwhile supportive of the new economic model were constrained to recognise the fundamental dysfunctionality of the neoliberal model and the need for fundamental reform of the reform process – to move beyond the Washington Consensus’ (Burki and Perry 1998; Stiglitz 2002).

In recent years there emerged a post-Washington consensus on the fact that the neoliberal form of capitalist development is not only economically dysfunctional but profoundly exclusionary in social terms and politically unsustainable. A decade of state-led reforms to the model has not fundamentally changed the Washington Consensus on macroeconomic policy. Nor has it changed the character of capitalist development in the region. Two decades of neoliberal reforms have resulted not in deepening social inequalities, the spread of poverty and conditions of social crisis and disorganization. Even Carlos Slim, Mexico’s major contribution to the Forbes

billion dollar club, and one of the region's greatest beneficiaries of the neoliberal reform process, has joined the chorus of negative voices levelled against 'new economic model', viewing it as not only dysfunctional in economic terms but inherently ungovernable. This conclusion has fuelled a widespread search for 'another form of development', a decentralised and participatory form of local development based on more sustainable forms of 'democratic' or 'good' *governance* (Blair 1997; Bowles and Gintis 1999; Dominguez and A. Lowenthal 1996; Goss 2001; World Bank, 1994). The result has been a veritable flood of proposals and alternative models for bringing about 'development' on the basis of social capital, i.e., through the agency of 'self-help' of community-based or grassroots organisations, with the assistance and support of partner institutions and 'international cooperation' for development (Dasgupta and Serageldin 2000; Hooghe and Ditelin Stolle 2003; Woolcock and Narayan 2000).<sup>2</sup>

### **Social Movements versus the State**

A decade of efforts to give the neoliberal reform process in Latin America a human face has failed. But what is needed is not to move 'beyond the Washington Consensus' towards face-saving reforms of the model. A redesign of the structural adjustment program is not the solution. What is needed is a social revolution that will change class relations, property relations and the class character of the state. We establish these conclusions propositional form.

*Capitalism in its social and institutional forms is 'the enemy,' but in the current historical context the neoliberal state is the major locus of class struggle*

State power is generally defined in terms of an 'authoritative allocation of society's productive resources.' But what sets the state apart from other institutions is control over coercive power, or, in the language of social science, its monopoly over the instruments of coercion and repression in its defined function of maintaining 'political order.' The state has a range of powers but, as demonstrated by our review of state-social movement dynamics in this volume, ultimately it is backed up by force. This fact has been well established in theory and the social movements are all too aware of it in practice. In each case examined in this volume – Lula in Brazil, Kirchner in Argentina, De Lozada and Mesa in Bolivia and Gutiérrez in Ecuador – the coercive apparatus of the state has been systematically directed against the social movements. In this context state coercion has not been a matter of last resort, as viewed by so many analysts in the liberal tradition -- a justifiable exercise of state power. Coercion or repression is part of an arsenal of weapons used by the political class to control the movements – to weaken them in their struggle for change in policy or social transformation. It is the range of powers that defines the relationship of the state to the social movements.

This proposition is confirmed by a review of the dynamics that surround the relationship between the state and the social movements in Argentina, Brazil, Bolivia and Ecuador (Petras and Veltmeyer, 2005). In the context of the political dynamics examined by the authors, the

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<sup>2</sup> Harris (2001) is one of few authors to provide a critical perspective on the World Bank's construction of this concept of 'social capital'. See also Veltmeyer (2002).

relationship of the state to social movements can be defined (and is structured) in terms of the following strategies:

- (i) Setting up *parallel organizations* to class-based anti-systemic organizations, such as peasant organizations and unions, that have non-confrontational politics;<sup>3</sup>
- (ii) *repression* of class-based organizations with an anti-systemic agenda under certain circumstances and where possible or necessary;<sup>4</sup>
- (iii) a process of dialogue and negotiating with representatives of class-based organizations with the capacity to mobilize forces of opposition and resistance (FARC in Colombia, MST in Brazil, EZLN in Mexico);
- (iv) *Accommodating* the leadership to policies of economic, social and political reform, often with the mediation of NGOs;<sup>5</sup>
- (v) *pacifying* belligerent organizations on the basis of a reform agenda, a partnership approach and a populist politics of appeasement and clientelism;
- (vi) *strengthening organizations within civil society* that have a reformist orientation and a democratic agenda, and weakening organizations with an anti-systemic

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<sup>3</sup> The creation of a parallel organisation typically involves staged elections for a new board of directors. Government agencies or the courts then award the organization's legal identity (along with offices, bank accounts and other resources) to a favoured faction, whether it represents the membership.

<sup>4</sup> Governments in the region have frequently resorted to repression as a means of demobilising organisations with an anti-systemic agenda. At times, it has involved the full weight of the state's repressive apparatus as in the dirty war orchestrated by a coalition of armed forces and a series of authoritarian-bureaucratic or military regimes in the Southern Cone of South America against the labour movement in the 1970s. In other conjunctures, as in Ecuador in the mid-1980s, the instruments of state terror and repression were wielded against the working class by regimes that are formally democratic. In this conjuncture – and other such conjunctures in the 1980s in Bolivia, Venezuela and elsewhere, involving conditions of a brutal repression – radical opposition to the government's neoliberal agenda, led at the time by the labour movement, was disarticulated and demobilized, weakening and close to destroying working-class political organisations in the process (Editorial, *Boletín ICCI*, Vol. 1, No. 8, November 1999). As it happens, in the case of Ecuador, the repression and destruction of the labour movement's capacity to challenge the government's agenda coincided with the emergence and formation of CONAIE which, in the 1990s, would take over leadership of the popular struggle.

<sup>5</sup> In the context of conditions found throughout the region in the 1990s, a marked development and trend was toward the disarticulation of class-based organisations and a demobilisation of the forces that they had accumulated and mobilized. The dynamics of this political demobilisation are not well studied or understood, and there are doubtless many factors involved. However, it is also doubtless the case that a combination of strategies pursued and implemented by governments in the region, and with the support of both outside or international organisations and NGOs within, was a critical factor in the widespread demobilisation of many social movements in the 1990s. This factor is clearly evident in the case of the *Alianza Democrática de Campesinos* (ADC), which in the post-civil war context of El Salvador emerged as the most representative and dynamic social movement of peasants organised around the issues of land redistribution and indebtedness. As a coalition of diverse peasant organisations, the ADC initially pushed its land reform agenda through a politics of direct action (land invasions, marches and so forth) but was soon constrained to operate within the framework of reforms established through the peace accords. Under these conditions, and with the active support of the *Frente Farabundo Martí de Liberación Nacional* (FMLN), transformed from a belligerent armed force into a left-wing political party, the struggle for cancellation of the land and bank debts was more or less resolved in political-legal terms (through legislation) in the interest of the beneficiaries of the first phase of the government's land reform programme. However, all direct and even indirect action on the land issue was definitively stalled by a politics of economic development projects funded by the World Bank and other donor agencies and executed through NGOs. On some dynamics of this process, see Veltmeyer (1999).

- agenda, a confrontational direct-action approach in their politics;<sup>6</sup> and, when all else fails
- (vii) *incorporating* groups with an anti-systemic agenda into policy-making forums and institutions.

*In the context of electoral politics mass parties are transformed into parties ‘of the system’—pro-business, beholden to the ‘Washington Consensus’ on appropriate macroeconomic policy.*

The best case of this proposition can be found in the transformation of the Workers Party (PT) from a ‘party of the masses’ into a ‘party of big business’. This outcome is the result of the long term, large-scale structural changes *within* the party and in its relationship to the state. The decisive shift in this case, as in the case of developments in Bolivia related to the *Movimiento Hacia Socialismo* (MAS), is from mass popular social struggles to electoral politics. In this evolution the PT became an ‘institutional party,’ embedded in all levels of the capitalist state, and attracting as a result a large number of petit bourgeois professionals (lawyers, professors, journalists), trade union bureaucrats, upwardly mobile ex-guerrilla, ex-revolutionaries recycled into to electoral arena. A process of substitution takes place. Here the electoral apparatus replaces the popular assemblies, elected officials displace the leaders of the social movements, and the institutional manoeuvres of the national political leaders in congress substitute for the direct action of the trade union and social movements.

The historical and empirical data demonstrate that elitist electoral leaders *embedded* in the institutional structures of the capitalist state end up competing with the other bourgeois parties over who can best administer the interest of the foreign and domestic, agrarian and financial elites. But the fundamental change in the shift of mass parties towards electoral and institutional politics is found in its class composition: it tends to become the party of ambitious *upwardly mobile* lower middle class professionals whose *social reference* is the capital class. Both political developments in Brazil and Bolivia provide evidence for this assertion. Behind these developments can be found a change in *classconsciousness* that reflects a change in *material conditions* of the elected politicians. Under these conditions, depending on the capacity of these Leftist labour-oriented politicians to garner voting support among the working class, landless workers and urban *favelados* become bargaining chips to negotiate favours with big business.

The ‘new class’ of electoral politicians tends to look *upward* and to their *future* ruling class colleagues, not *downward* and to their former working class comrades. A similar development seems to occur inside the trade union movement in its relationship to the state. In the case of the Brazil under Lula, for example, upwardly mobile trade union officials look upward to becoming congressional candidates and ministers, or administrating pension funds rather than downward to organizing the unemployed, the urban poor in general strikes with the employed workers. The PT’s transformation into a party of international capital was accompanied by the transformation of the major trade union confederation – the CUT – from an independent class-based union into more or less an appendage of the Ministry of Labour. The

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<sup>6</sup> This strategy was pursued and implemented by all multilateral and bilateral development agencies in the 1990s.

CUT in this context followed the PT along the path of ‘state institutionalization’ and ‘substitutionism’ as the national leaders preempt the factory assemblies in making decisions and relocate activities from the streets to the offices of the Labour Ministry. Thus the parallel transformation of the PT and CUT avoided any rupture between them, a development that has not been followed in Bolivia. However, there are political forces in Bolivia that follow the Brazilian example.

The key theoretical point from this analysis is that the bourgeoisification of the ‘working class’ or ‘socialist’ parties is not the inevitable consequence of globalization. Rather it is the result of changing class ideology, the internal dynamics of party politics – changes that lead to institutional assimilation and, ultimately, subordination to the dominant sectors of the ruling class. This conclusion points to the profound limitation of electoral institutional politics as a vehicle for social transformation or even consequential reforms. Social transformation is more likely to occur from the direct action of independent class based social political movements oriented toward transforming the institutional basis of bourgeois state power.

*Electoral politics is a trap designed to demobilise the forces of resistance and opposition*

This proposition is amply demonstrated by political developments in every country case that we have examined, particularly Bolivia, Brazil and Ecuador. In their efforts to advance the struggle for political power many social movements seek a strategic or tactical alliance with electoral political parties, as with the MST and the PT, or, as with CONAIE in the case of Ecuador (*Pachakutik*) or MAS and MIP in the case of Bolivia. In this alliance the social movements evolve and are transformed into political instrument for the purpose of influencing regime policy within the system. As regards the outcome of this evolution the conclusion is clear. It is invariably at the expense of the popular movement, whose forces of resistance and opposition rather than being brought to bear against the power structure are dissipated and demobilized. *Pachakutik* in Ecuador provides a good exemplar of this development but to appreciate its theoretical and political significance we cannot do better than turn to Bolivia.

Our studies into ostensibly ‘progressive’ regimes with links to the social movements and neoliberalism suggest that electoral regimes, no matter what their social base or ideological orientation, inevitably became integrated into, and subordinate to, the imperial system. The result is that social movements and their members are blocked from achieving even their minimum goals.

Take the case of Ecuador. The petroleum workers and CONAIE, through its electoral arm *Pachakutik*, in the conjuncture of political developments that followed the 2000 indigenous uprising, entered into an electoral alliance with Lucio Gutiérrez and his *Sociedad Patriótica*. Upon taking office, catapulted into power on the basis of this alliance, Gutiérrez embraced a policy of privatization of petroleum as well as the policies of the IMF, ALCA and Plan Colombia. Gutiérrez repressed the petroleum workers and turned the government’s back on the indigenous movement (betrayed it, in the conception of CONAIE at its National congress in 2004).<sup>N</sup> The result was a very weakened Petroleum Union, a discredited *Pachakutik*, and a seriously weakened and divided CONAIE.

In Bolivia, Evo Morales, the leader of the *cocaleros* and MAS, like so many electoral politicians and parties after some advances, turned to the right. In the wake of the October 2003 uprising, in which he was notably absent, Morales supported the pro-imperialist, neoliberal

regime of Carlos Mesa, playing a major role in dividing and attacking any large-scale mobilisations in favour of nationalising petroleum. Our analysis of diverse electoral regimes suggests that this development is not in the least surprising. It is the built into electoral politics, the inevitable result of its dynamics. In the case of Morales his politics is undoubtedly geared to his quest to win the 2007 Presidential election, a prospect that many analysts today see as increasingly unlikely given the mechanics of Bolivia's electoral politics (the need for a second round of voting should no candidate achieve over 50% in the first round).

Political developments in Brazil suggests that no matter the situation or electoral prospects once a popular movement turns towards electoral politics it is constrained to play by political rules that sustain the dominant model and, in the current context, the neoliberal agenda. The MST in this context has not suffered the same debacle as CONAIE, because only a few members were in the government and it managed to retain a sufficient degree of autonomy so as to maintain the loyalty of its members. Also, unlike the *cocaleros* in Bolivia, the MST is not dominated by a single electorally ambitious personality and is sufficiently grounded in class politics to avoid becoming a tool of the bourgeois state. Nevertheless the MST's confidence in Lula and ties with the 'Left' of the PT, has undermined its opposition to Lula's reactionary attack on pensions, minimum wage, the IMF pact and military support of US colonial occupation of Haiti. The danger here is that by continuing to give 'critical' support to a discredited regime the MST will suffer the same discredit, a lesson that CONAIE has learnt all too well.

*Local development provides micro solutions to micro problems, designed as a means of eluding a confrontation with the power structure and substantive social change*

The best exemplars of this proposition are found in Bolivia and Ecuador. This is in part because of the 'indigenous factor' in the national politics of these two countries. In both cases indigenous communities have demonstrated the greatest capacity for mobilizing the forces of resistance and opposition, organising some of the most dynamic social movements in the region. For this reason the World Bank and the IDB targeted the indigenous communities and the social movements based on them as the object of what amounts to an anti-insurgency strategy: local development in the form of micro-projects of poverty alleviation.

Given the established dysfunctionality of the neoliberal model, and the tendency of this model to undermine democracy and generate destabilising forces of resistance in the form of social movements, the architects and guardians of the 'new world order' have turned towards 'local development' (micro-projects) as *the* solution (to the neoconservative problem of ungovernability). The World Bank in this context finances nongovernmental organisations (NGOs) within the 'third sector' of 'civil society as agents of 'local development' and 'good governance' – to combat the emergence of mass movements.

The first step in this strategy (Imparato 2003; Tussie 2000) was to establish at the level of the state an appropriate institutional-administrative-legal framework. The next step was to enlist the services of the NGOs, converting them into front-line agents of the 'development project' (poverty alleviation) and, in the process, into missionaries of micro-reform. The NGOs provided the imperialist organisations cooperating in the development project entry into the local communities. The micro-reforms and NGOs promoted a pacific or 'civil' (non-confrontational) form of politics, turning the rural poor away from the social movements into local self-help 'projects' funded (and designed) from above and the outside. It also created local conditions for

an adjustment to the discipline of globalisation and its governance requirements – to create local conditions of imperial governance. In this context Heloise Weber (2002: 146) could write of micro-finance and micro-credit as a ‘coherent set of tools that may facilitate as well as govern the globalization agenda’. From ‘the perspective of the architects of global development’, she adds, ‘the micro-credit agenda (and thus, the ‘poverty alleviation’ strategy of the World Bank – ‘Sustainable Banking with the Poor’) . . . is conducive to facilitating policy changes at the local level according to the logic of globalization . . . while at the same time advancing its potential to discipline locally in the global governance agenda’ (Weber, 2002: 146). With reference to these developments we can well conclude that the official discourse on ‘civil society’ is little more than an ideological mask for an imperialist agenda – to secure the political conditions for neoliberal capitalist development.

### *Mass mobilization the revolutionary way to political power*

Political developments in every country case examined by the authors confirm what has long been a truism in Marxist class analysis. At issue in the class struggle is political power in the form of the state. Each advance in this struggle has been associated with mobilisational politics while the recourse to electoral politics in each case has perpetuated the status quo.

In no Latin American country are the conditions of a revolutionary situation as well developed as in Bolivia. At the moment, at the time of this writing (June 2004), the swell and rising tide of revolutionary ferment has abated but this could very well be the calm before the storm to come, which is to say, Bolivia presents us with the possibility of a truly revolutionary movement with all of its trials and tribulations.

To advance the popular movement in a revolutionary direction certain conditions are required. First, the popular movement needs to coalesce around a powerful organisation of insurgent forces. In the case of Bolivia an organization with the greatest potential in this regard is the COB, an organisation that has uniquely managed to both represent politically and advance the interests of both organized workers and indigenous peasants. A major source of COB’s political potential is its organizational structure, a single structure of affiliation at the provincial, departmental (regional) and national level with a demonstrated capacity for bringing together and concentrating the collective action and mobilizations of diverse sectors of the popular movement.

Notwithstanding its historic failures and limitations, the COB in the current conjuncture has the potential of constituting a critical mass of insurgent forces and to mobilise them into a movement that could potentially not only bring down the Mesa government but also change the course of Bolivia’s history. At issue here are three factors. One is the form of organization. Another is leadership. A third critical factor is an appropriate and effective strategy and associated tactics, particularly as regards selected forms of struggle and political alliances. In this regard, the COB has to combine with other revolutionary forces, particularly those constituted by the *Aymara* indigenous proletariat of El Alto, organized by CTUCB and presently under the command of Felipe Quispe. A second requirement is that the working class, led by COB, need to unite their struggle with the indigenous movement and the broader popular movement. MAS to some extent provides a political condition of such unity, COB less so in that it is precisely the division between different sectors of organised labour and the indigenous movement that has tended to and still divides COB, weakening its political responses to the government’s macroeconomic policy. A third requirement for the Bolivian revolution is for the base

organizations and insurgent forces in the popular movement to break away from the system of electoral politics. The conclusion is inescapable.

The prospect for these developments is difficult to gauge. Some observers see this as ‘not that difficult’. Nevertheless they recognize the formidable obstacles in the significant number of union and movement leaders who dialogue with the government within the framework of a social pact. Other union leaders support the electoral path followed by MAS and the politics of a truce between movement and the government. Others see an even greater obstacle in the diversion of the indigenous communities at the base of the popular movement into a politics of local ‘autonomous’ development and their adhesion to an electoral strategy, not only in regard to the projected takeover of municipal government by MAS but the 2007 presidential elections. In this context, MAS is an important repository of oppositional forces but these forces are tied into the system via electoral politics of incremental reform. Thus the social movement has to contend with not only the forces ranged behind the government but the demobilising approach of a powerful political movement on the Left.

The best if not only hope for the movement is for the rank and file to depose the leaders who are holding the movement back – to leave them behind. This might be possible, in the case of the neoliberal parties of the system bound to a capitalist path to development and neoliberalism. But for MAS this is not so easy, or even possible, unless as recently proposed by ex-MAS Senator Filomen Escóbar, in his battle with Morales, MAS is put under the control of a revitalised COB and thus subordinated to the broader popular movement as one of its major political instruments. But this scenario has various difficulties, not least of which is Evo Morales himself. Having chosen the electoral path towards power – the *toma municipal* in 2004 and the presidency in 2007 – he has not only abandoned the dynamics of mobilisation (the ‘revolutionary path’ towards power, we might say) but any pretension of being a socialist let alone a revolutionary. He knows all too well that a commitment to play by the rules of electoral politics commits him to pursue a capitalist path towards national development should he, as he very well might, eventually be elevated to state power. This is one reason why he turned or swung to the right – to avoid any situation that might jeopardize the viability and survival of the institutions of the capitalist state.

### *Social movements have failed to respond to the revolutionary challenge*

Marx long time ago argued that the capitalism in its advance creates its own gravediggers – a working class aware of its exploitation, disposed to overthrow the system. However, he noted, this development requires a revolutionary situation, the conditions of which are objectively given and subjective – structural and political. In several countries examined in this volume, particularly in Bolivia and Ecuador but also Argentina, these conditions have come together a number of times in diverse conjunctures: 19/20 December 2001 in Argentina, 8-19 October 2003 in Bolivia, and January 2000 in Ecuador.

To date in Brazil no such conjuncture has materialized. But at the same time, the presidential elections that brought Lula to state power did create the opportunity for a new regime to use this power to bring about a social transformation. But this would require a socialist regime and Lula’s regime is anything but that. In fact, we conclude that a socialist regime cannot take state power this way. Electoral politics binds any party to the system, turning it towards neoliberalism – towards forces that govern the system. Thus, as in the other cases examined in

this volume, the ‘moment’ of state power as it were – and the ‘opportunity of mobilising the forces of resistance against the system – was lost. In the case of Brazil, the reasons for this were predictable given Lula’s politics and the class nature of his regime.

In Argentina the struggle for political power has taken a different form. What emerges from the extended and massive popular rebellion is that spontaneous uprising are not a substitute for an organised political movement. The social solidarity formed in the heat of the struggle was impressive but momentary. Little in the way of class solidarity reached beyond the barrio. The parties on the Left and local leaders did little to encourage mass class action beyond the limited boundaries of geography and their own organisation. Even within the organisations, the ideological leaders rose to the top not as expressions of a class-conscious organised base but because of their negotiating capacity in securing work plans or skill in organising. The sudden shifts in loyalties of many of the unemployed – not to speak of the impoverished lower middle class – reflect the limitations of class politics in Argentina. The *piquetero* leaders rode the wave of mass discontent and lived with the illusions of St. Petersburg, October 1917 failing to recognize that there were no worker soviets with class-conscious workers. The crowds came and many left when minimum concessions came in the form of work plans, small increases and promises of more and better jobs.

As in the other contexts studied in this volume the domestication of the unemployed workers movement is located in a number of regime strategies. Kirchner in this connection engaged in numerous face-to-face discussions with popular leaders, making sure that the best work plans would go to those who collaborate with the government while making minimal offers to those who remained intransigent. In this context he struck an independent posture in relation to the most outrageous IMF demands while making concessions on key reactionary structural changes imposed by his predecessors. *Lacking an overall strategy and conception of an alternative socialist society*, the majority of the *piquetero* movement was manipulated into accepting micro-economic changes to ameliorate the worst effects of poverty and unemployment, without changing the structure of ownership, income and economic power of bankers, agro-exporters or energy monopolies. The resulting political situation, played out with diverse permutations across Latin America was a variation on the all too dominant theme of local development and reform – and a politics of negotiation and conciliation.

The problem with this style of politics is that the question of *state power* is eluded. In the specific context of Argentina it was simply a declaratory text raised by sectarian leftist groups who proceeded to undermine the organisational context in which challenge for state power would be meaningful. In this they were aided and abetted by a small but vocal sect of ideologues who made a virtue of the political limitations of some of the unemployed by preaching a doctrine of ‘anti-power’ or ‘no power’ – an obtuse mélange of misunderstandings of politics, economics and social power. The emergent leaders of the *piquetero* movement, engaged in valiant efforts in raising mass awareness of the virtue of extra-parliamentary action, of the vices of the political class, were unable to create an alternate base of institutional power for unifying local movements into a force that could confront state power.

What is clearly lacking in this and other situations is a unified *political organisation* (party, movement or combination of both) with roots in the popular neighbourhoods, capable of creating representative organs that promote *class consciousness* and point toward taking state power. As massive and sustained as the initial rebellious period (December 2001-July 2002) was no effective mass political party or movement emerged. Instead a multiplicity of localised groups

with different agendas soon fell to quarrelling over an elusive ‘hegemony’ – driving millions of possible supporters toward local face-to-face groups that lacked a political perspective. Under these circumstances the forces of opposition and resistance were dissipated and the wave of revolutionary ferment receded.

Viewing these issues retrospectively leads us to the conclusion that is entirely consistent with the evaluation made by many activists within the movement: that it is a political mistake to seek state power from within the system – to turn towards electoral constitutional politics and join the government. This much is obvious. Assessments of the state-movement dynamic in other contexts have produced the same conclusion. But this conclusion does not get us too far.

Mobilising the forces of opposition and resistance against the system is part of the solution – in fact a large part, given the limits and pitfalls of electoral politics. This is clear enough. Indigenous leaders, like Ecuador’s Humberto Cholanga, leader of Ecuarrunari, the most powerful quichua organization within CONAIE, and Luis Macas, recently reelected leader of CONAIE, have embraced a class perspective on the ‘indigenous question.’ But another part of the solution is to create conditions that will facilitate the birth of a new revolutionary political party oriented toward state power. In fact, this seems to have occurred in Bolivia where in the face of COB’s apparent political impotence the indigenous movement has created an alternative political apparatus, the ...designed as a means of maintaining the pressure of mass mobilization on the Morales government.

We can be certain that the process will be fraught with difficulties and will require the leadership of conscious political cadres. A close look at the experiences of the four countries provides answers to the limitations of social movements and electoral politics.

### *Antisystemic change and socialism are on the horizon*

Socialization (nationalization) of the means of production and a more egalitarian distribution of the social product has been an implicit concern among the rank and file of the mass social movements, a concern that at times has been manifest at the level of leadership – as for example in the decision of the Morales government to nationalise and restatify ownership and control of oil and gas reserves, and the current dispute between the government of Ecuador and Oxy (Occidental Petroleum Corporation). However, the ritual declarations by the leaders of these movements that ‘another world is possible’ has failed to define a political direction and economic strategy which links popular needs with fundamental economic structural changes. Faced with the growth of large-scale agro-export enterprises, ‘agrarian reform’ can only be consummated through collective ownership and production – as Brazil’s MST has acknowledged, despite the weak political line of the current leadership vis-à-vis Lula’s neoliberal regime. The return of the financial elite in Argentina demonstrates that ‘regulation’ is incapable of directing capital toward large-scale, long-term investment in employment-creating economic activity. Only through a publicly owned banking system oriented by a regime based in the mass of unemployed and employed workers, can employees and professionals design and implement financial policies which would develop the internal markets. Our study has confirmed the tendency for the ‘national’ bourgeoisie to place their profits into overseas accounts, recycling earnings into the financial sector and/or intensifying exploitation of their workforce, rather than reinvesting their capital productively at home. The conclusion is that sustained and comprehensive industrial growth on a national scale requires public ownership under the control

of employed and underemployed workers and professionals. The crisis of electoral elite politics – the political class riddled with corruption, beholden to foreign creditors and immersed in the politics of privatizations – can only be resolved by a transition to democratic collectivism, which prioritizes political control from within and below, productive investment over debt payments, and recovers national control over the strategic sectors of the economy.

Indeed there is a growing popular dissatisfaction with the endless social forums, vacuous declarations and ritualistic self-congratulations that have become a substitute for organising mass struggle based on a clear and expressive socialist program. Throughout our field work in the four countries with hundreds of unemployed and employed workers in the formal and informal labour market, among downwardly mobile public employees and under-employed professionals, among Indian leaders and activists, we have found a much clearer option for a socialist transformation and rupture with the electoral political class than among the professional Social Forum attendees who still live in the Babel Tower of diversity and dispersion of ambiguous formulas, rather than collective class organisation.

### **Some observations and a tentative conclusion**

Historians have written of a counterrevolution in development theory and practice traced back to the exhaustion of the Keynesian model of state-led economic development and the appearance of a ‘new economic model’ based on the neoclassical doctrine of free world market as a fundamental engine of economic growth as well as the most efficient mechanism for allocating productive resources across the system, essentially replacing governments in this role. Other historians have identified a paradigmatic shift traced back to a ‘theoretical impasse’ brought about by a structuralist form of social analysis and the political project to create a form of society characterised by a fundamental equality in social relations and greater equity in accessing society’s productive resources and in the distribution of the wealth. As in Marx’s day these developments tend to ‘appear’ as a war of ideas, a struggle by different ideas to realise themselves. However, as Marx understood so well in a different context this conflict in the world of ideas reflect conditions of a class struggle in the real world, namely the actions of working peoples to improve their lot through social change.

The 1970s saw a new conjuncture in this struggle: a counteroffensive launched by capitalists and their ideologues and state representatives against the working classes, seeking to arrest and reverse the gains achieved over two decades of economic, social and political development. The New Economic Model of neoliberal policy reforms was one major intellectual, and ideological, response, a major weapon in the class war unleashed against the popular classes. Another such response took the form of a sustained effort to disarm the popular movement, to disarticulate its organizational structure and class politics, to turn the popular movement away from its struggle for social change and state power – for control over the major repository of political power. The aim here was to construct a new modality for achieving social change based on a new way of doing politics, namely to take the path of ‘anti- or non-power; to rely on social rather than political action in bringing about social change without a confrontation of the power structure; to seek change – and improvements within the local spaces available within his structure; to partner with other agencies in the project of local development – to empower the

poor to act in their own lives, participate actively on their own development and the good governance agenda, without challenging the larger structure of economic and political power.

The conclusion that can be drawn from this form of social change and the political dynamics of the developments in Latin America is that the only way forward is by means of political power: to abandon development and engage the class struggle; to directly confront political power and to contest it in every arena open to the movement. However, as in earlier political conjunctures there are at least two roads to state power, both fraught with pitfalls: electoral politics and a revolutionary politics of mass mobilisation. The road travelled by Evo Morales, the leader of MAS, exemplifies the dilemma – the difficulties in pursuing both paths at the same time but also the need to do so. Morales' decision to opt for the electoral road to state power (to bet on his chances of winning the 2007 presidential elections) was in part responsible for defusing the revolutionary situation created by insurrectionary politics of the popular movement in October 2003. Carlos Mesa would never have come to power without the support of MAS in that context (he did not play a major role in this insurrectionary politics – in the bloody street protests that forced Gonzalo Sánchez to resign and seek exile in the US) and the weak Mesa government would never have survived for as long as it did without MAS support.

As Eduardo Gamarra (*The Herald*, January 15, 2005: 5A) noted: 'The length of Mesa's tenure [in office and power] is largely due to Evo's supportive role'. At the same time Morales himself was continually pressured from the Left of the popular movement, forced to respond to its more radical politics. For example, Morales insisted that he sought to win power through the ballot box<sup>7</sup> but in January 2005 he was constrained by the politics of the radical left to publicly demand Mesa's resignation unless he were prepared to roll back gasoline price increases. For Morales the issue was how to maintain his position in the popular movement while on the sidelines of the class struggle during the anti-government strikes that shut down the cities of El Alto and Santa Cruz. The radical left in this and subsequent context rejected elections as a means of achieving state power but Morales clung to the line of electoral politics while, at the same, time forced to respond to the radical politics of the revolutionary Left. Alvaro García, a university professor who was a part of this Left (and now vice-president) but an advisor to Morales (he has severed ties to most of the radical Left), in this political context observed that '[w]hen the radicals powerful he moves towards them'. The point is, he adds, Evo 'fears that he will lose his base of support to the more radical elements'. And well he might.

Morales' stance on the radical politics of the social movement has tended to be tactical rather than strategic. The inescapable conclusion is that a radical politics of mass mobilisation is an indispensable condition for advancing the struggle for social change – to bring about a new world of social justice and real development based on popular power (control of working peoples of the state). In practice it is probably necessary to combine both electoral and mass revolutionary politics. But a mobilised people is the sine qua non of revolutionary change.

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<sup>7</sup> Various analysts are of the opinion that Evo Morales' electoral democratic approach towards politics has been influenced by his November 2003 meeting with Brazilian PT President Luiz Inácio (Lula) da Silva, who lost three bids for the presidency before winning in 2002. Needless to say, Lula told Evo to be patient, learn from his defeats to represent all Bolivians, even the economic elite [the dominant and ruling class]. As Lula put it: 'you cannot be limited to being an indigenous leader or a coca leader. He did not have to add that electoral politics is the only way to achieve state power.

## Postscript

As predicted Evo Morales 'achieved' state power via the Presidential elections earlier this year. What does this mean in the light of the argument advanced in this paper about the pitfalls of the electoral road to state power? Not enough time has passed to draw any definitive conclusions or for us to revise our argument. It remains to be seen whether Evo Morales as the country's President, as well as leader of MAS and part of the indigenous popular movement, will succumb to pressures arising from within the political class as well as global capital – constrained by the rules of electoral politics regarding the exercise of state power. It has to be said in this connection that thus far he appears to be responsive to the demands and pressures from within the popular movement. Thus he has moved, and appears to be moving, further to the Left in his policies than any other current leader in the region save for Chavez and Fidel Castro. In this connection, Evo Morales might even be paving a new road towards popular power and public policy, managing to escape or overcome thereby the pitfalls of electoral politics vis-à-vis the popular movement. But, as said, it is too early to tell.

Some tentative lessons can be drawn. One is that the electoral process does indeed provide a road to power, perhaps more likely to bear fruit than social mobilizations, which is fraught with even greater pitfalls – difficulties in bringing together diverse political groupings on the left. We have not examined the complex dynamics of left politics (associated with the so-called 'radical left' of the 'political class') vis-à-vis Evo Morales' road to state power but to say the least they have been politically divisive. Second, Morales' ascent to state power has had an almost transcendental symbolic significance vis-à-vis a 500-year struggle of indigenous people in the region as well as Bolivia against oppression and exploitation. Even though many in the indigenous movement, especially in Ecuador, are of the view that they are not ready for state power; that conditions even when propitious are premature, but that they nevertheless need to take the opportunity, as in the case of Bolivia, when it arises – as a means of political education if not substantive social change. The third lesson that can be drawn from Morales' ascent to, and short stay in, power, relates to the actual experience of state power, short as it is.

The issue of state power has both external and domestic dimensions. In terms of the former, the conjuncture has been propitious for forging a new set of strategic alliances with the presidents of Venezuela, Brazil and Argentina...in the direction of a common front vis-à-vis the US and in forging a new policy regarding the exploration, processing and export of the country's oil and natural gas reserves; Bolivia having one of the largest reserves in the world and a number of countries in the region, particularly Argentina and Brazil, dependent on the supply of this gas and anxious to improve their access to Bolivia's strategic resources in this area.

In this context, Evo Morales has been able to push his nationalization agenda, in the form, on the one hand, of declaring the resource a state resource, and, secondly, manoeuvring for a greater share of royalties and taxes, as well as higher prices for the resource, particularly in relation to Petrobras, the greatest foreign investor and player in Bolivian gas. That is, not nationalization per se but a joint venture in which the state retains a controlling interest by means of a revived state enterprise and the regulation of foreign investment.

The domestic situation has already proven itself to be more complex than the international. Morales has spent most of his few months in office forming international alliances and agreements, both in the region, especially with Chavez (Venezuela), Kirchner (Argentina) and Lula (Brazil), but also in Europe. These manoeuvres on the international stage, however,

have had an impact on the domestic front. For one thing, it has consolidated internal support for his presidency and allowed for the accumulation of political capital. Achieving power with just over 50% of the popular vote, enough to avoid the need for a second round, which he might not have won, his approval rate has climbed to 80%, largely as a result of his politics on the international relations front (the nationalization and re-statification of oil and gas reserves). Burt Morales has not been derelict on the domestic front. He has to make a series of domestic political moves to consolidate the political capital formed in the electoral process. This has included negotiations with the right-wing civic associations, dominated by private sector interests, in Santa Cruz – to outflank the secessionist threat from the landed oligarchy and the bourgeoisie in the richest area of the country in terms of natural resources and the value of economic activity. Another arena of internal politics has been in relation to his social base in the indigenous movement and the communities at its base. One issue on this front has been that of coca eradication, a policy on which Morales has been steadfast in opposing pressures from the US Department of State.

At the point of this writing Morales is faced with the active resistance to his policies, in the form of an extended hunger strike by the coca producers of Los Yungas (his political base is among the larger group of coca producers of the Chaparé region) from elements of the movement on which he has constructed his political base. A third political front relates to organized labour. On this front the most important player is COB, although it might well be superseded by the new political formation, el *Comando Nacional del Pueblo* (The General Staff Command of the Working Class), formed precisely because of the political impotence of the COB. The importance of this new political formation is that it provides direct pressure on Morales from diverse sectors of the popular movement<sup>8</sup> and the threat of mobilizing resistance against his policies should they stray to the right.

However, the most critical arena of political struggle relates to the macroeconomic economic and social policies disputed by the political class, reflecting dominant and entrenched economic interests. In this area Morales has thus far trod a fine line between concessions to the labour movement, for example in the legislation of modest pay rises for public sector employees and workers, while maintaining the legislative and regulatory structure of macroeconomic policy put in place in previous regimes, as well as the guarantee of ‘legal security’ to foreign investors and the multinational corporations.

What about the argument advanced in this paper on social change and state power? The assumption behind this argument is that the road to social change is paved with state power – but not in electoral form; even where state power is achieved via the electoral road the left and the popular movement will lose because of the deals made in the process, forcing the political class to a centre-left reformist position on the level of national policy. It is too early for us to draw any conclusions on this point, but thus far changes on the social front have been very limited. The government is clearly constrained by the need to maintain fiscal discipline as well as political balance. At the same time, nationalization is back on the political agenda, signalling a possible reversion in regional politics, the end of the privatization policy and a possible reversion to a new cycle of nationalization. This would be a significant political advance in both symbolic

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<sup>8</sup> The *Comando Nacional* includes in its formation the Confederación Unica de campesinos, el CSUTCB, el Central Obrero Regional del Alto, la Federación de Juntas Vecinales, la Asociación de Amas de Casa, la Confederación de Estudiantes de Bolivia, la Coordinadora de defensa de Agua y de la Vida, PCB -- and MAS.

and real terms. It could signal the beginnings of a new economic model and the restatification of the economic development process.

It is too soon to determine the broader significance of political developments in Bolivia and of Morales' ascent to state power via the electoral process. It has an indubitable symbolic significance for the indigenous movement. But its broader political meaning, particularly in regard to the use of the state apparatus as a means of bringing about substantive social change, is unclear. It remains to be seen whether Morales and the popular movement in Bolivia can escape the trap of electoral politics. In this connection it is clear enough that the critical factor in Morales' ascent to state power was the combination of mass mobilization and an electoral process. And it is equally clear that the only way forward on the road to social change is for the popular movement to remain mobilized, to continue to exert the forces of popular mobilization on the government.

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