

Rev. nuestramérica, 2020, vol.8, núm.16, edición continua, e6481817

Artículo depositado en Zenodo. DOI <https://doi.org/10.5281/zenodo.6481817>

Publicado en PDF y XML <http://nuestramerica.cl/ojs/index.php/nuestramerica/article/view/e6481817>

Esta primera página fue reemplazada en 2022 con motivo de la celebración de los diez años de la revista. Se agregó un localizador electrónico y un doi de recuperación en Zenodo. El interior del artículo no fue modificado.

Policy Dynamics of the pink tide of regime change in Latin America

Dinámica de políticas de la marea rosa del cambio de régimen en América Latina

Dinâmica das políticas da maré rosa da mudança de regime na América Latina

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Abstract: The purpose of this paper is to advance an argument that might explain the dynamics of recent political developments in Latin America. The argument is constructed as follows. First, I review the dynamics of what Raúl Zibechi (2012) has described as the new geoeconomics of capital in Latin America and the corresponding politics. The paper then elaborates on certain dynamics associated with the political economy of two types of capitalism, with reference here to the particular way in which these forms of capital are combined in the current context of capitalist development in the region. The third part of the paper provides a brief review of the economic and political dynamics that led to the pink tide of regime change in South America. Subsequently, we provide a brief review and analysis of the policy dynamics of the governments formed in the wake of this sea tide of regime change and the associated progressive cycle in Latin American politics. The paper then turns towards the recent pendulum swing of electoral politics towards the hard right of neoliberal policy reform. The paper ends with a brief discussion of the forces that might be involved in what appears to be the end of the progressive cycle. The conclusion is that the answer can be found in various contradictions of extractive capitalism.

Key words: capital; development; dynamics; political economy; pink tide.

Resumen: El propósito de este artículo es presentar un argumento que pueda explicar la dinámica de los recientes desarrollos políticos en América Latina. El argumento se construye de la siguiente manera. Primero, reviso la dinámica de lo que Raúl Zibechi (2012) ha descrito como la nueva geoeconomía del capital en América Latina y la política correspondiente. Luego, el documento desarrolla ciertas dinámicas asociadas con la economía política de dos tipos de capitalismo, con referencia aquí a la forma particular en que estas formas de capital se combinan en el contexto actual del desarrollo capitalista en la región. La tercera parte del documento proporciona una breve revisión de la dinámica económica y política que condujo a la marea rosa del cambio de régimen en América del Sur. Posteriormente, proporcionamos una breve revisión y análisis de la dinámica de las políticas de los gobiernos formados a raíz de este asiento del cambio de régimen y el ciclo progresivo asociado en la política latinoamericana. Luego, el documento gira hacia el reciente movimiento pendular de la política electoral hacia la extrema derecha de la reforma de la política neoliberal. El artículo termina con una breve discusión de las fuerzas que podrían estar involucradas en lo que parece ser el final del ciclo progresivo. La conclusión es que la respuesta se puede encontrar en varias contradicciones del capitalismo extractivo.

Palabras clave: capital; desarrollo; dinámica; economía política; marea rosa.

Resumo: O objetivo deste artigo é apresentar um argumento que possa explicar a dinâmica dos recentes desenvolvimentos políticos na América Latina. O argumento é construído da seguinte maneira. Primeiro, reviso a dinâmica do que Raúl Zibechi (2012) descreveu como a nova geoeconomia do capital na América Latina e a política correspondente. O artigo elabora, então, certas dinâmicas associadas à economia política de dois tipos de capitalismo, com referência aqui à maneira particular pela qual essas formas de capital são combinadas no contexto atual do desenvolvimento capitalista na região. A terceira parte do artigo fornece uma breve revisão da dinâmica econômica e política que levou à maré rosa da mudança de regime na América do Sul. Posteriormente, fornecemos uma breve revisão e análise da dinâmica das políticas dos governos formadas na esteira dessa mudança de regime e do ciclo progressivo



associado na política latino-americana. O artigo então se volta para o recente balanço pendular da política eleitoral em direção à extrema direita da reforma política neoliberal. O artigo termina com uma breve discussão das forças que podem estar envolvidas no que parece ser o fim do ciclo progressivo. A conclusão é que a resposta pode ser encontrada em várias contradições do capitalismo extrativo.

Palavras-chave: capital; desenvolvimento; dinâmica; economia política; maré rosa.

Fecha de recepción: 12 de mayo de 2020.

Fecha de aceptación: 29 de junio de 2020.

The new geoeconomics and geopolitics of capital

By the 'new geoeconomics of capital' reference is made to the confluence in the region of two types of capitalism, two modalities of accumulation: (i) industrial capital(ism) based on the exploitation of the 'unlimited supply of surplus labour' generated by the capitalist development of agriculture, what we might understand as 'capitalism as usual'; and (ii) the advance of resource-seeking 'extractive' capital based more on the exploitation of nature than labour, i.e. the extraction of nature's wealth of natural resources (Giarracca & Teubal 2014; Gudynas 2009; 2011; Svampa & Antonelli 2009; Svampa 2015; Veltmeyer & Petras 2014). These two modalities of accumulation—one based on the advance of industrial capital and the other of resource-seeking extractive capital—do not exist in isolation and in many conjunctures of the capitalist development process are combined in one way or the other. The point is that both modalities of accumulation have distinct development and resistance dynamics that need to be clearly distinguished for the sake of analysis and action.

A second dimension of the geoeconomics of capital has to do with reconfiguration of global economic power over the past three decades, with the advent of China's voracious appetite for natural resources and commodities, in particular industrial minerals and metals, and fossil fuels. This 'development' implicates not just rapid economic growth and the Chinese demand for natural resources but also the 'emerging markets' of the BRICS, which helped fuel the growth of a demand for these resources on capitalist markets and a primary commodities boom. This boom in the demand for natural resources, and an associated decade of rapid economic growth in Latin America,¹ fuelled by record commodity prices spurred by Chinese demand and consumer demand in the BRICS, coincided in Latin America with a progressive cycle of governments formed in the wake of a pink (and red) tide of regime change—governments oriented towards the 'new developmentalism' (a social policy of 'inclusive development', or poverty reduction) as well as an extractivist economic development strategy.

As for the geopolitics of this development process the paper brings into focus the progressive cycle of postneoliberal policy regimes formed in this changing of the political tide. The policy regime of these 'progressive' or left-leaning governments has been described as neoextractivism, with reference to the use of the fiscal revenues derived by these governments from the export of raw materials to finance their poverty reduction program (Gudynas 2009; Svampa 2019; Veltmeyer & Petras 2015). In short, the economic model used by these progressive governments to make public

¹ From 2002 to 2012 Latin America experienced a decade of rapid economic growth at an annually averaged rate of at least 5% (Ocampo 2007). Over this period—dubbed by some as the 'decade of Latin America'—the region almost doubled its share of world economic output to 8% (Rathbone, 2013). The IMF estimated that the windfall from the commodity boom, which began in 2002, was equivalent to an extra 15 per cent of output a year. At the same time, the middle class grew by an estimated 50 million while inequality in the distribution of income (i.e. the rate of poverty) shrank from 40 to 50% (ECLAC 2012).

policy in the area of development has two pillars: neodevelopmentalism, or the post-Washington Consensus on the requirement of a more inclusive form of development based on poverty reduction, and an extractivist strategy of capital accumulation.

The political economy of extractive capitalism

An extractivist strategy of capitalist development based on the export of natural resources in primary commodities form has long been the dominant approach of governments in the region towards capitalist development, an approach that is reflected in the emergence of an international division of labour in which countries on the periphery of the world system serve as suppliers of raw materials and natural resources with little to no value added processing or industrialization—what a generation of structuralist and dependency theorists in the 1960s and '70s described as the structural source of uneven capitalist development, or, in the conception of AGF, the 'development of underdevelopment'. The same economic structure was taken by Lenin as a defining feature of what he described as 'imperialism', the highest stage of capitalism as he understood it at the time.

Turning to the question of the geoeconomics and geopolitics of capital, the conditions behind this question were formed in the 1980s, with the establishment of a then 'new' neoliberal world order of free market capitalism, designed to liberate the 'forces of economic freedom' from the regulatory constraints of the development state (Petras & Veltmeyer 2001). Within the institutional and policy framework of this world order and associated system, which included a series of 'structural reforms' in macroeconomic policy (a policy of globalisation, privatisation, deregulation, liberalisation), resulted, *inter alia*, in the destruction of forces of production in both agriculture and industry that had been built up in previous decades under the aegis of the development state. It also unleashed a massive inflow of capital in the form of foreign direct investment (FDI), particularly resource-seeking extractive capital, which by the end of the 1990s dominated the flow of capital into the region.²

Although the service sector at the turn into the new millennium still accounted for almost half of FDI inflows, this dominance of extractive capital in FDI inflows either held steady or trended upwards in the years 2002 to 2008 of the commodities boom (ECLAC 2012). Despite the global financial and economic crisis at the time, FDI flows towards Latin America and the Caribbean in 2008 reached a record high (US\$ 128.3 billion), an extraordinary development considering that FDI flows worldwide at the time had shrunk by at least 15 percent. This countercyclical trend signalled the continuation of the primary commodities boom and the steady expansion of resource-seeking capital in the region—until 2012 when the prices of many key commodities began to fall or collapse, heralding the beginning of the end of the boom (Harrup 2019; Wheatley 2014).

In 2009, barely a year into what has been described as a 'global financial crisis',³ Latin America received 26 percent of the capital invested globally in mineral exploration and extraction. And

² The 'real FDI boom in Latin America and the Caribbean', according to ECLAC (2012: 72) took place in the years 1992 to 1993 when many State-owned assets were privatized and many sectors, which until then had received little FDI, were opened up and deregulated. It was during this period that transnational corporations began to expand their role in the region's economies. The 1990s it saw a six-fold increase in the inflow of capital in the form of FDI in the first four years of the decade and then another sharp increase from 1996 to 2001, which in less than 10 years tripled the foreign capital accumulated in the region (ECLAC 2012: 71). As a result of these trends from 2002, at the beginning of the commodities boom, to 2008, barely six years in, the share of natural resource extraction in total FDI inflows increased from 10 to 30 percent (Arellano 2010).

³ By a number of accounts, unlike a series of financial crises in the 1990s that primarily hit economies on the periphery, including Latin America, the 2008 financial crisis primarily affected economies at the centre rather than the periphery of the system. ECLAC economist Porzecanski (2009), with specific reference to Latin America, even raised the question "Crisis, what crisis?"

according to the Metals Economics Group, a 2010 bonanza in world market prices led to another increase of 40 percent in investments related to mineral exploration, with governments in the region, both neoliberal and post-neoliberal, competing fiercely for this capital. In 2011, on the eve (the year before) of an eventual collapse of the primary commodities boom, South America attracted 25 percent of global investments related to mining exploration, the production of fossil and bio-fuels, and agro-food extraction (Kotze 2012).

Large-scale investment in the acquisition of land and the extraction of natural resources (in the form of metals/minerals, fossil fuels and agro-food products) was a defining feature and a fundamental pillar of the model used by the progressive regimes formed in the pink wave to make public policy in the area of development. The other pillar was extractivism, or to be precise, neoextractivism, which led to a process of rapid economic growth, averaging 5-6% over the progressive cycle, which coincided almost precisely with the progressive policy cycle and a process of primarization (Cypher 2010)—or, to be more precise, reprimarization, inasmuch as the exports of most of the countries in the region has always involved the export of commodities in primary form but this fundamental long-term structural trend (see Table 1), as well as the commodities boom-bust cycle, was accentuated in a new development-resistance cycle that emerged with the advance of extractive capital in the Latin American development process.

Table 1: The value of primary commodity exports as a percentage of total exports

	2000	2002	2004	2006	2008	2010	2012	2014	2016
Argentina	67.5	69.5	71.2	68.2	69.2	67.8	67.9	67.9	74.3
Bolivia	72.3	84.2	86.7	89.8	92.8	92.6	94.7	94.4	94.5
Brazil	42.0	47.4	47.0	49.5	55.4	63.6	65.0	65.2	60.1
Chile	84.0	83.2	86.8	89.0	88.8	89.6	85.8	85.9	85.3
Colombia	65.9	62.2	62.9	64.4	68.5	77.9	82.5	82.4	74.5
Ecuador	89.9	89.7	90.7	90.4	91.7	90.2	91.0	93.8	92.5
Paraguay	80.7	85.1	87.3	84.1	92.1	89.3	91.2	90.5	90.6
Peru	83.1	83.0	83.1	88.0	86.6	89.1	85.4	85.3	96.9
Uruguay	58.5	63.7	68.4	68.7	71.3	74.3	75.9	76.3	77.9
Venezuela	90.6	86.2	86.9	92.7	95.6	95.7	98.3

Source: CEPAL (2004-2017).

The policy dynamics of the pink tide of progressive policy regimes associated with a neoextractivist strategy has been analysed at length if not in depth by a number of authors (Grugel & Riggirozzi 2009; Macdonald & Ruckert 2009; Petras & Veltmeyer 2009; Svampa 2019; Vidal Molina 2019). An analysis of the fundamental pattern and dynamics of capital inflows—especially regarding the advance of resource-seeking extractive capital—raises a number of questions and poses a problem to which I can make only brief reference, namely:

1. the policy outcomes of the economic development model used to formulate macroeconomic and social policies in the area of development...a combination of *neodevelopmentalism* (the quest for inclusive development, a model based on a strategy formulated as part of the Post-Washington Consensus formed in the 1990s)⁴ and *extractivism*. One of the main policy outcomes, which relates to both this consensus and a protracted war fought by the World Bank and the United Nations since at least the mid-1970s, is the dramatic reduction in the rate of poverty achieved by these governments over the course of the decade-long cycle of progressive policies—down from 44 percent in 2002, at the beginning of the progressive cycle, to 29 percent in 2015 at the end of the cycle (see Table 2 and the discussion surrounding it);
2. the contradictions of extractive capitalism (see the discussion below), when added to the fundamental contradiction of labour and capital and the secondary contradiction of centre-periphery relations within the world capitalist system, introduces an entirely new dynamic into the forces of resistance to the advances of capital in the development process. This dynamic relates particularly to the contradiction between the strategy pursued by the progressive postneoliberal regimes in the region, which, in the case of Ecuador and Bolivia, implicates the sought-for condition of *Vivir Bien*, or *Buen Vivir* (Living Well in solidarity and harmony with nature)—and the destructive and negative impacts of extractive capital; and;
3. the forces of resistance and the class struggle formed in response to the advance of extractive capitalism: a struggle of indigenous and non-indigenous communities on the extractive frontier to reclaim their territorial rights to the commons of land, water, resources for production and subsistence), and in protest against the negative socioenvironmental impacts of extractive capital and its destructive operations. On the complex and diverse social and political dynamics of this resistance see, inter alia, Barkin & Sánchez (2017), Bebbington & Bury (2013), Bollier (2014), Dangl (2007), and Petras & Veltmeyer (2005).

The contradictions of capitalism

Marx's theory regarding capitalism is that it is beset by contradictions that are reflected in a propensity towards crisis and class conflict (Marx 1975 [1866]). The source of this conflict is an economic structure based on the capital-labour relation and the exploitation of workers (Labour) by capitalists (Capital). The capitalist class, it is argued, is driven by the need to accumulate—to profit from the labour power of workers. The developmental dynamics of this relation of capital to labour—the driving force of capitalist development—are both structural and strategic. The structural dynamics of the system are manifest in conditions that are, Marx argued, 'independent of our will'

⁴ On this consensus see Fine, Lapavistas & Pincus (2001).

and thus not of our own choosing and objective in their effects—an objectivity that accords with each individual's class position. The strategic or political dynamics of the capital-labour relation, the foundation of the social structure in capitalist societies, are reflected in class consciousness, basically a matter of workers becoming aware of their exploitation and acting on this awareness. In this context, each advance of capital in the development process generates forces of resistance and social change.

Marx's theory of Capital, as well as most studies by Marxist scholars on the contradictions of capitalism, is predicated on the capital-labour relation and the capitalist development of agriculture—the dispossession and proletarianization of the direct producers, the peasantry of small-scale peasant farmers, and the exploitation of the 'unlimited supply of surplus labour' generated by the capitalist development process (Araghi 2010). As mentioned above each advance of capital in the development process generates forces of resistance, social relations of conflict and contradictory outcomes in which Capital appropriates the social product of cooperative labour. The result, at the level of the capital-labour relation, is a protracted class struggle over land and labour—a struggle that dominated the political landscape in the 20th century—and a propensity towards crisis. At the level of international relations this fundamental contradiction has manifested itself in the uneven development of the forces of global production and a relation of dependency between the centre and the periphery of the world system—between the imperial state in its quest for hegemony over the system and the forces of anti-imperialist resistance (Borón 2012).

The 1970s can be viewed as a decade of diverse structural and strategic responses to a systemic crisis, which put an end to what some historians have dubbed 'the golden age of capitalism'. One of these responses was the construction of a 'new world order' based on the belief in the virtues of free market capitalism and the need to liberate the 'forces of economic freedom' from the regulatory constraints of the development state. The installation in the 1980s of this new world order by means of a program of 'structural reforms' in macroeconomic policy (globalisation, privatisation, deregulation, and the liberalisation of the flow of goods and capital) gave rise to a new development dynamic on the Latin American periphery of the system—the advance of resource-seeking 'extractive' capital—and with it new forces of resistance that brought to the fore what we might conceive of as the 'contradiction(s) of extractive capitalism'.

The advance of resource-seeking 'extractive capital' in the form of large-scale foreign investment in the acquisition of land—'landgrabbing', in the discourse of Critical Agrarian Studies (Borras et al., 2012)—and the extraction of natural resources took form as a primary commodities boom from 2002 to 2012, and what Maristella Svampa (2012) describes as the 'commodities consensus' and what others (for example, Gudynas 2009) understand and have described as 'neoextractivism': the export of natural resources in primary commodity form to capitalist markets and the use of the resource rents appropriated in the process to finance a program of inclusive development or poverty reduction (Veltmeyer & Petras 2014).

The fundamental contradiction of extractive capitalism is manifest in a pronounced tendency for the accumulation process to exceed the ecological limits of sustainable development (O'Connor 1998; Redcliff 1987). This contradiction takes a number of forms, including what some economists have described as a 'resource curse'—that resource-rich economies tend to be poor and underdeveloped, while many resource-poor countries have managed to achieve high levels of

economic and social development (Acosta 2009, 2011; Berry 2010). Dimensions of this resource curse include what has been described as the 'Dutch disease' (with reference to the negative effect of commodity exports on other export sectors) and what Latin American economists in the structuralist tradition have described as 'dependency'—a reliance on the export of unprocessed raw materials and primary commodities in exchange for value-added processed and industrialised goods produced in the centre of the system.

A fundamental dimension of the contradictory nature of extractive capitalism is an exaggerated form of the capital-labour relation of economic exploitation. Extractive capital typically employs relatively little labour—relative to capital and technology. As a result, while the share of labour in national income for a regime based on industrial capital might be as high as 40 to 60 percent in a regime based on extractive capital (particularly in the mining sector) the share of labour typically oscillates around 10 percent. With the State appropriating another 10 percent in the form of resource rents (royalties, export taxes), well over 60 percent, up to 80 percent, of the value of the social product on capitalist markets is appropriated by Capital (foreign investors, multinational corporations, Commodity Traders),⁵ while the brunt of the destructive and negative socioenvironmental impacts of the operations of extractive capital are borne by the indigenous and non-indigenous communities contiguous to the sites of extraction. Needless to add, this feature of extractive capitalism has generated powerful forces of resistance and relations of conflict between the companies and the communities, with the governments—even the most progressive ones such as Ecuador under Correa and Bolivia under the presidency of Evo Morales—more often than not taking the side of capital against the communities in this conflict. This is a fundamental dimension of the contradictory nature of extractive capitalism, which in the current context on the extractive frontier is taking the form not of a class struggle but a territorial struggle—in the demand of communities to reclaim their fundamental human and territorial rights to the global commons, as well as the rights of Nature.

Another fundamental contradiction of extractive capitalism in the current Latin American context is manifest in the actual policies in the area of economic development that some progressive governments formed in the pink wave of regime change have pursued in contradiction with the constitutionally defined aim of bringing about a social condition of *Buen Vivir* (Living Well in solidarity and harmony with nature).

Resource nationalism, Left-wing populism and poverty reduction

The progressive governments that came to power in the seatide of progressive change have been widely criticized for the failure to use the additional fiscal revenues derived from resource exports to bring about lasting structural change and sustainable development, particularly as regards the possibility of moving the population towards a social condition of *Buen Vivir* (Acosta & Machado 2012). And these criticisms might be warranted, at least as regards the contradictions of an extractivist model of economic development. However, these criticisms should not lead to a failure to

⁵ As for the financial returns to external entities and interests, foreign investors, etc., the *Financial Times* on April 18, 2013 published an article (Blas, 2013) that documented the fact that traders in commodities have accumulated large reserves of capital and huge fortunes in the context of the primary commodities boom and the financialization of capitalist development. As the author of the article observed: 'The world's top commodities traders have pocketed nearly \$250bn over the last decade, making the individuals and families that control the largely privately-owned sector big beneficiaries of the rise of China and other emerging countries'—and, we might add, beneficiaries of the turn towards extractivism and export primarization.

acknowledge the considerable progress made by these so-called 'populist' regimes in the direction of poverty reduction, the principal policy instrument of a neodevelopmentalism strategy oriented towards the goal of bringing about a more inclusive form of development based on a social redistribution of income, the hallmark of progressivism.

The evidence is clear enough. All of the governments formed in the 'progressive cycle', in the context of the primary commodities boom, pursued a neoextractivist strategy of channeling additional fiscal revenues derived from commodity exports into programs of poverty reduction. Table 2 provides a graphic representation of the results of this strategy, which revolved around the policy of 'conditional cash transfers'—transferring to poor households, on condition that children of the households would be sent to school and clinics to attend to their healthcare, sufficient income to automatically lift them out of a condition of extreme poverty as defined by the world Bank's measure of \$1.25 a day (\$37.50/month). The Table also suggests that the downward trend in the rate of poverty has stalled and to some extent has been reversed in the post-boom/progressive cycle context.

Table 2. Latin America: poverty and extreme poverty rates, 2002-2015 (Percentages)

	2002	2008	2010	2012	2014	2015
Poverty	43.9	33.5	31.1	28.2	28.2	29.2
Extreme poverty	19.3	12.9	12.1	11.3	11.8	12.4

Source: ECLAC (2015). Preliminary data.

Taking Bolivia, as an exemplar of the policy that was subsequently pursued by up to 19 governments in the region, including some like Mexico, which, until the recent election of AMLO, had continued to pursue a neoliberal policy line, the percentage of people living in poverty fell or was reduced from 59.9 percent in 2006, when Morales came to power, to 34.6 percent in 2017. Extreme poverty, in the same timeframe according to government figures (validated by CEPAL) was reduced from 38.3 to 15.2 percent. The reduction in Bolivia's poverty rate and the associated drop in inequality in the distribution of national income tallied with a trend that held across all the regimes formed in the progressive cycle—the average reduction in the poverty rate somewhere between 40 and 50 percent. This trend was in stark contrast with the situation in countries like Mexico that continued to hoe the neoliberal policy line throughout this progressive cycle. In the case of Mexico, the poverty rate in 2017 continued to oscillate between 47 and 54 percent, depending on the data source (Lomeli 2013).

The association between the policy regime of the progressive governments and the reduction in poverty help up though the entire policy cycle, as did the trend towards economic growth and the primary commodities boom, which ended somewhere around 2012, coinciding with the end of the growth trend. A dramatic instance of this association was Brazil, where an average growth rate of over five percent per annum throughout the boom—and the progressive cycle at the level of politics—was reduced to, creating conditions, it would seem, for the end of the progressive cycle and the return to state power of the neoliberal hard right (Petras & Veltmeyer 2017). Radical right regimes currently rule in Argentina, Brazil, Colombia, Paraguay, Peru, Guatemala, Honduras and Chile. In several countries the extreme right regimes have already instituted abrupt changes, reversing the progressive policies instituted by their progressive predecessors, while in others they build on incremental changes constituted over time. The changes instituted in Argentina and Brazil represent examples of extreme regressive transformations directed at reversing income distribution, property relations, international alignments and military strategies. The goal is to redistribute income upwardly, to reconcentrate wealth, property ownership, and to subscribe to imperial doctrine. These proto-populist or kleptocratic regimes are run by men who openly speak to and for very powerful domestic and overseas investors and are generous in their distribution of subsidies and state resources—a kind of 'populism for the plutocrats' (Petras & Veltmeyer 2019).

One of the few governments to resist the pendulum swing in electoral political to the hard or extreme right in the wake of a retreating commodities boom was Bolivia, but Bolivia again confirming the correlation between the commodities boom and the progressive cycle in politics. It turns out that Bolivia was one of very countries in which the rate of resource export driven economic growth driven by the demand for resources continued past the collapse of the commodities boom in 2012. The policy regime formed by Evo Morales was the only progressive government able to sustain the commodities boom driven average growth rate of 4.9 percent, perhaps explaining in part the failure of a right-wing opposition forces to take power. Export revenues grew sixfold during Evo's first term in office, from an average of \$1.14 bn. a year over the previous two decades to \$7billion. Another partial explanation of Morales's continued popular support, despite several scandals and opposition from indigenous groups concerned about his government's extractivist strategy vis-à-vis the stated goal of *Vivir Bien*, is continued support from the social base of the regime in the social movements, particularly the cocaleros, once led by Evo Morales.

Today, there are cocaleros and indigenous organisations both in support and in opposition to the government, but Morales has managed to contain opposition from this source and to manage the fraught relationship between the government and the social movements. This is in sharp contrast to other progressive regimes such as Correa's regime in Ecuador where once the centre-left regime was consolidated the social movements whose dynamics helped propel into state power were pushed aside.

The relationship between the regime and the social movements, including the cocaleros'—the social base of Morales' political leadership and power base in MAS (Movement Towards Socialism)—has not all been rosy, however. It has required a process of active strategic 'management' and tactical manipulation. In its early years in power, the unions had gained control of the state apparatus and their members were appointed to new institutional positions, including many parliamentary and civil-service roles. The opposition was a neoliberal right determined to block the functioning of Bolivia's Constituent Assembly. Until 2009, MAS managed to maintain a popular unity not seen since the

struggles against military dictatorships in the 1970s and '80s. But this ended with the December 2009 referendum that approved Bolivia's new constitution. Though the right was crushingly defeated at the polls, the left's internal divisions resurfaced. Even so, Morales since then has managed to contain these opposition forces both within the neoliberal hard right and within his own social base. And this is no small part due to both Evo's ability to manage or manipulate the social forces ranged in his social movement base, but also the government's macroeconomic success and the ability of the regime to deliver on a promise of progressive development in the direction of socialism (or communalism, as Evo Morales defines it).

Bolivia, under Morales, has demonstrated an exceptional capacity for sustaining growth, securing re-election and neutralizing the opposition by combining a radical left foreign policy with a moderate, mixed public-private export economy. In this connection while Bolivia continues to condemn US imperialism, major oil, gas, metals and lithium multinationals continue to invest heavily in Bolivia, Evo Morales has moderated his ideological posture, shifting from revolutionary socialism to a local version of liberal democratic cultural politics.

Evo Morales' embrace of a mixed economy neutralized any overt hostility from the US and the new far-right regimes in the region. Thus, while remaining politically independent, Bolivia has integrated its exports with the far-right neoliberal regimes in the region. President Evo Morales's moderate economic policies, diversity of mineral exports, fiscal responsibility, incremental social reforms, and support from well-organized social movements has led to political stability and social continuity despite the volatility of commodity prices. No doubt this helps explain the ability of Evo Morales to avoid the fate of his fellow progressives.

Even the professional groups and other segments of the country's middle class, a clear beneficiary of the policies pursued by the regime, have struggled to contest the proposition that life has gotten demonstrably better over the past decade. As reported by *The Guardian Weekly* (15 March 2019), Morales' policies have not only resulted in greater social equality in the distribution of income, or at least reduced poverty as well as improvements in conditions of work and the minimum wage, but also in conditions of greater concern and interest to the country's growing middle class—a stable currency, subsidised petrol, asphalt highways, shopping centres, access to affordable housing and university education (Lewis, Clarke & Barr 2019).

The end of the progressive cycle? The pendulum of electoral politics

It would seem—particularly in the cases of Bolivia and Venezuela, but also Argentina and elsewhere—that the origins of the progressive cycle in Latin American politics, i.e. the so-called pink wave, can be attributed to the political activism of the social movements in the 1990s, which was directed against the neoliberal policies of the governments at the time. Whereas the social movements in the 1960-70s were oriented towards the demand for land and labour, and the movements formed on the extractive frontier were oriented towards reclaiming their territorial rights and the right of access to the commons (Bollier 2014; Bollier & Silke 2012).

In recent years there have been diverse attempts at explaining the end of the progressive cycle. Theories have ranged from structural explanations (the contradictions of extractive capitalism, and the consequent loss of an important segment of progressive forces), the collapse of the commodities

boom and/or the fall in the international prices of oil, and the resulting loss of fiscal revenues to finance social and development programs), to widespread corruption as well as fundamental mistakes in designing and executing development policies (particularly in the case of Venezuela), as well as shifts in the correlation of class power at the level of electoral politics. But whatever the reason or the forces involved, there is no doubt that the pendulum of electoral politics have swung back towards the right—restoring to power regimes oriented towards what might well be described as 'authoritarian neoliberalism'. In this regard recent political developments in Latin America reflect what appears to be a global trend (Berberoglu 2019).

The beginnings of this trend—a change in the correlation of force in the class struggle at the level of electoral politics—can be traced back to the ascension of Mauricio Macri to political power in the case of Argentina, and the 'soft coup' perpetrated against the PT regime of Dilma Rouseff)⁶ and then the election of Bolsonaro in March 2019). In addition to these two cases, a number of other electoral contests—in the years 2018-2019 up to 14 presidential schedules have taken place or has been scheduled to take place.

The one major exception to this pattern has been the election in December 2018 of Andrés Miguel López Obrador (AMLO) in Mexico, which did not participate in the progressive cycle but continued to how the neoliberal line in alignment with the US throughout the cycle. As for the progressive regimes, most of them, including Ecuador under the post-Correa regime established by Lenin Moreno, succumbed to the forces of electoral change. The one exception—apart from Venezuela, which is a special case of a progressive regime (in not having its origins in the activism of the social movements)—is Evo Morales, whose survival against the opposition forces ranged against it, can also be attributed to the social movements. In other cases, where the social movements were directed against the state (the government's neoliberal policies, but on the centre-Left's ascension to state power were to all intents and purposes sidelined or demobilised, the policies of the progressive regime lost its social base in the movement, thus rendering it vulnerable to forces of reaction. In the case of Bolivia, however, the movements were neither demobilised nor shunted aside. Rather, Evo continues to mobilise the movements in continuing support of his progressive policies.

Conclusions

Although the populist social programs of the postneoliberal compensatory states constructed in the wake of the pink tide of regime change managed to reduce poverty to a significant degree, this did not lead to structural change. The resulting improvement in income redistribution did not in any case fundamentally alter the class structure. These programs merely compensated the least well-off strata with resource rents derived from the export of natural resources within the context of a short-lived commodity boom on capitalist markets. Nevertheless, there were undeniably positive outcomes of the pink wave and the progressive cycle. One the one hand, there is much to admire in the progressive policies and accomplishments of these postneoliberal compensatory states vis-à-vis their progressive policies. Poverty was roughly reduced by 50 percent, lifting millions out of poverty as well as incubating an incipient middle class. Behind this accomplishment these progressive regimes or postneoliberal compensatory states—especially Venezuela,

⁶ Note the irony in that Temer, who, as Dilma Rouseff's second in command took power as the result of machinations focused on removing her from office, and ensuring the imprisonment of Lula, who undoubtedly would have won the election, because of corruption, has just been charged and imprisoned (April 2019) for reasons of high crimes of corruption.

Bolivia and Ecuador, countries that represented a more radical form of regime change oriented towards socialism—were able to capture the surplus from the commodity boom and, by means of a new social policy designed for 'inclusive development' (conditional cash transfer programs accompanied by state investments in healthcare and education), achieved significant social gains. But an assessment of these gains must be balanced against the limits of progressive change under regimes tied to extractive capital and rentier capitalism. For example, social compensation provided an internal momentum for economic expansion based on the expansion of the consumption capacity of the popular classes—what economists associate with the growth of a 'middle class'—but the underlying structure of social inequality and power, as well as the associated rights and privileges, as already mentioned remained fundamentally unchanged.⁷

The improvements in income redistribution and the few benefits flowing to the bottom or poorest strata in the current context are a function of a model that allowed and has led to a disproportionate appropriation of the wealth generated by the model by foreign investors, obliging the indigenous and peasant farming communities that make up what the World Bank describes as the 'rural poor' to bear the exceedingly high social and environmental costs of the extractive model. This is to say, the social gains of the progressive policies implemented by some governments in recent years are limited by the contradictions of extractive capitalism and global markets tied to rentier capitalism.

This is one conclusion of my study. Another is that the apparent end of the progressive cycle in a pendulum swing in the arena of electoral politics towards the neoliberal hard right can be explained in large part in terms of what some economists have described as a 'resource curse' but that we understand as the contradictions of extractive capitalism. That is, the erosion in popular support suffered by left-leaning pink-wave governments such as Argentina and Brazil that combined extractivism with neodevelopmentalism, and by governments such as Ecuador under the presidency of Rafael Correa committed to a more radical form of post-neoliberalism, can be attributed to the pursuit and commitment of these governments to an extractivist development strategy—a strategy fraught with contradictions.

These 'contradictions' include a dependence on large-scale foreign investments in the extraction and export of natural resource wealth. Conditions of this dependence—the 'new dependency' according to some theorists (Borón 2008; Martins 2011; Sotelo 2000, 2009)—implicate:

1. a reliance on these foreign investments and associated resource rents to finance the government's poverty reduction and development programs, subjecting the domestic economy to the boom-bust cycle of commodity exports on capitalist markets;
2. consolidation of an export structure with a built-in tendency towards uneven development, with a resulting 'underdevelopment' of the region's forces of production;⁸
3. externalisation of the benefits of economic growth, leading to a decapitalisation of domestic production and the national development process, and a degradation in the conditions of social

⁷ Machado & Zibechi (2016), for example, point out that although progress in the Pink Wave was made in reducing poverty through the implementation of redistribution policies, the same did not happen in terms of inequality. They distinguish two types of inequality—structural and conjunctural—and argue that during the decade of progressive governments there were improvements in terms of the second type of inequality but that the indicators of structural inequality were not modified. On this see also Dávalos & Albuja (2014) in regard to Correa's Ecuador.

⁸ López Segrera, for example, analyzes the weaknesses that remain despite the progress made based with respect to the policies implemented by the post-neoliberal governments, with particular reference to the dependence of the region's economies on the price of raw materials and associated problems. In this regard he points out that in addition to the dependence generated by the economy being linked to the international prices of exported goods, many of these sectors depend on the importation of technologies and products from the central countries. At the same time, they have a social impact in terms of the devastation of some regional economies, the expulsion of populations and the impact on the health of those exposed to the destructive and negative socioenvironmental impacts of extractive capital and its operations.

existence of communities on the extractive frontier, forced to bear all of the negative socioenvironmental costs and destructive impacts of extractivism while being virtually totally excluded from its questionable economic benefits;

4. dependence of the State on access to global capital, resulting, inter alia, in these states (including those formed in the pink tide of regime change) taking the side of Capital in the struggle of local communities on the extractive frontier to resist the destructive forces of capitalist development; and, at the level of electoral politics,
5. the propensity of rentier regimes on both the Left and the Right towards endemic corruption, resulting in widespread deception and disillusionment among the electorate with politics as usual by the political class.

This disillusionment was undoubtedly a factor in the correlation of force in the class struggle and the pendulum swing in electoral politics towards the right. But the evidence, which includes the demonstrated ability of Evo Morales in the particular case of Bolivia to resist the rightward turn in the tide of political change, suggests that the most recent change in the pendulum swing of electoral politics can be found in the contradictions of extractive capital as well as the inability of the regimes formed in the pink wave to hold onto a social base for their progressive policies.

A dramatic illustration of this point is Venezuela, where the urban and rural poor, the social base of the regime's progressive or socialist policies, continues to support the socialist regime despite the enormous pressures placed on the regime in the current economic and political crisis and by the heavy hand of US imperialism. Under Chávez and Maduro's radical populist policies and socialist regime not only were millions lifted out of poverty but over two million houses were built for the shantytown dwellers; and over two dozen universities and educational centres were built for the poor—all free of charge. Public hospitals and clinics were built in poor neighborhoods as well as public supermarkets that supplied low-cost food and other necessities which sustain living standards despite subsequent shortages. How did the regime manage to survive such pressures and these conditions when the other regimes formed in the recent progressive cycle succumbed to them, and the Chávez-Maduro regime was also a clear and obvious victim of at least one of what we have described as the contradictions of extractive capitalism (dependence on the boom-bust cycle of commodity markets)? The answer is not unambiguously clear, but it might well include the fact that unlike the other pink wave governments the regime did not pursue a policy of class conciliation; and in regard to the urban and rural poor the regime went well beyond the new developmentalist model by including the poor themselves in decision-making in the form of cooperativism and community development, and popular militias and community councils, that mobilized and gave voice to the mass of the poor and facilitated their active participation as well as their representation. This is one of several lessons that the Left can draw from the vortex of social change in which the region is currently embroiled.

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