

<https://internationalviewpoint.org/spip.php?article343>



Uruguay

# A scenario of chaos

- IV Online magazine - 2002 - IV344 - October 2002 -

Publication date: Friday 11 October 2002

---

**Copyright © International Viewpoint - online socialist magazine - All rights reserved**

---

**General strikes of students, civil servants and university teachers, occupations of university faculties and high schools, workers' strikes, rebellion in the poorest neighbourhoods with spontaneous 'lootings' against hunger. Popular soup kitchens sprouting up everywhere around the country.**

[[https://internationalviewpoint.org/IMG/jpg/23\\_Uruguay\\_01.jpg](https://internationalviewpoint.org/IMG/jpg/23_Uruguay_01.jpg)]

Protests by small savers cheated by the selective 'corralito'. [1] Contingents of trade unions and housing cooperatives encircling Parliament during the discussion of the national budget law. Hundreds of thousands of signatures against privatisation and referendums on ANTEL (telecommunications) and ANCAP (oil refinery). Caceroleos, [2] partly organized, partly spontaneous. Blockages of roads and bridges. Local mobilizations against the cutting off of essential services (electricity, water, gas, telephone). The socio-economic crisis goes deep and the inevitable 'contagion' of the regional crisis opened by the Argentine revolt has accelerated the dynamic of collective action and social struggles. The 'scenario of chaos' so much feared by the reformist left has set in. It generates a climate of political instability and contestation of the relationship of forces between the classes.

In this framework, where the outcome remains open, the politicisation of the social struggles and popular resistance and the urgent construction of an anti-capitalist programmatic alternative are the main tasks of the revolutionary and socialist left.

## Neo-liberal crisis

The bankruptcy of the 'model' has all the characteristics of an economic and social catastrophe. In less than one year, the country has lost 80% of its monetary reserves, the fiscal deficit is running at 5% of GDP, inflation is over 12%, and the peso has depreciated by 40% in less than two months.

There are no favourable indicators in any sector of the economy. Exports fell by 15.8% in July alone, GDP fell by more than 10% in 2002, and the economy has been in recession for three straight years.

The social drama provoked by years of neo-liberal policies has a dimension without precedent in the country's recent history: 200,000 unemployed (16% of the active population); 700,000 people with 'employment problems', thousands laid off in industry, trade and the big supermarket chains; wages down by as much as 30% in some sectors; more than 25% of the population living in poverty (45% of them children); and 200,000 people in temporary housing because of evictions or inability to pay the rent.

Emergency services have been closed in the (university) hospital at CIÃ-nicas where the poorest people of both Montevideo and the interior of the country are cared for. Tens of thousands of Uruguayans have emigrated to other countries.

Meanwhile, there is a salvaging of the private 'financial system' and the shipwreck of the public banks (RepÃblica and Hipotecario, who account for 75% of savings and credit). A selective 'corralito' has been applied, affecting the majority of small savers holding fixed term deposits with the state bank (accounts of less than 10,000 dollars) and draining money towards the foreign private banks. The law voted through at the end of last week by Parliament (with the opposition of the Frente Amplio) is the condition imposed by the US Treasury Department and IMF to liquidate the state banks once and for all, as well as any margin of economic and financial sovereignty.

## A scenario of chaos

---

The crisis of capitalism and its 'neo-liberal model' has acquired a new dimension: a gigantic confiscation of incomes, jobs and small savings accounts, a programmed assault against the public banks and enterprises and a continuation of the payment of the foreign debt. The majority of the 3,500 million dollars in 'aid' coming from the IMF and the World Bank serves to cover the debt interest which falls due before the end of the year (before the breakout of the crisis, Uruguay paid 700 million dollars a year). On the other hand, nothing guarantees that 'default' will be avoided.

The (unwritten) commitment is the complete subordination of the local ruling classes to the new colonial pact imposed by imperialism, the Free Trade Area of the Americas (FTAA) project and Plan Colombia.

In this context, the loss of political credibility of the coalition government (Partido Colorado and Partido Nacional) deepens while its social and electoral base shrinks. The three key components which have underpinned the neo-liberal discourse (efficiency, stability, legitimacy) have come unstuck. The president, Jorge Batlle, who came to power with nearly 50% of the votes in 1999, now has an approval rating of only 15%.

This is not only a crisis of the neo-liberal paradigm which had been presented as the only 'model of growth' but also a crisis of the state, its 'traditional' parties and the political regime of domination established through 'representative democracy' since the fall of the dictatorship.

To guarantee this new colonial pact, the government has embarked on a campaign of criminalisation of 'social disorder' and threatens to impose emergency measures. It seeks to stigmatise the trade union, cooperative and human rights movements, the community radios and the entire left and social organizations. In particular, it has begun a campaign of denunciations and threats against the most radical sectors of the resistance and the Corriente de Izquierda-CI. [3]

## Reformist setback

Although the majority of the Frente Amplio [4] leadership opted for 'dialogue' and understanding, in the framework of a line of 'responsible opposition', the 'scenario of chaos' which it so much feared (because it would 'prejudice' the possibility of winning the national elections in 2004) has enveloped the country.

It has exposed the bankruptcy of its strategy of 'democratic governability' as well as the strategy of 'social dialogue' supported by the majority of the leadership of the PIT-CNT [5] and by numerous trade unions who advocate class conciliation with the entrepreneurs.

The drift to the centre of the majority of the FA leadership is being challenged by a significant sector of the rank and file and the popular movement, faced with the magnitude of the socio-economic crisis and the breadth of the social resistance.

Both institutional 'loyalty' and the 'culture of government' [6] are being put to the test now. The strategy which rests uniquely on the distant and uncertain electoral horizon of 2004 clashes with the breadth and radicalism of the popular resistance, the debates inside [7] the FA and the legitimacy gained by the proposals of the CI and social organizations, summed up in the slogans: 'Batlle and the IMF out of the government! Bring forward the elections!; 'Constituent Assembly, popular and sovereign!' (made up of the political organizations with the social and popular movements and organizations).

These proposals have a perspective of radical democratic rupture with the electoral timetable imposed by the

bourgeois institutions and rest on the premise that democracy involves the right of recall of the elected representatives and the direct participation of the people.

# The revolutionary left

The revolutionary left faces two challenges in a context of sharpened class struggle where all political tempos accelerate.

To articulate the action and the diverse militant experiences accumulated in both the resistance movements and the FA, within a scenario of a united left front.

Secondly, to reorganize a revolutionary and socialist strategic perspective, capable of linking to an emergency programme against hunger with an anti-capitalist and anti-imperialist transitional perspective, so that unemployment and poverty do not demoralize the workers' and popular movement.

Thus the CI has launched an appeal to establish a National Commission against Hunger (see [next article](#)) that it is presenting to the National Plenum of the FA and to the social organizations, while initiating the establishment of popular neighbourhood assemblies to give it an organized social and political content.

*Montevideo, August 17, 2002*

---

[1] The freezing of saving accounts in Argentina in December 2001, was called the 'corralito' ('little ranch'). The Uruguayan government followed the same road this summer.

[2] Demonstrations involving the banging of saucepans. In Argentina they are known as cacerolazos.

[3] Corriente de Izquierda ['Left Current'], set up in 1997. Regroupment of the radical left, involving militants from the Marxist tradition (Trotskyist, Communist, socialist), Tupamaros, revolutionary nationalist and independents. It defines itself as 'a plural and unitary political organization, revolutionary, socialist and internationalist'. With 350 militants and around 1,000 supporters. It publishes 2,000 copies of the monthly Corriente de Izquierda. Part of the FA, it has a militant intervention in the trade unions, neighbourhood movements, human rights, housing cooperatives and youth organizations. It participates in the rank and file and coordinating Committees of the FA. In the FA's recent internal elections (May 26, 2002) it obtained 6,000 votes. In September, the CI held its Third National Congress.

The government intelligence services accuse CI of participating in 'social disorder' and acts of 'violence' like the looting of shops. The right wing press links the CI's 'political strategy of confrontation' with the struggle of the Argentine piqueteros.

[4] Frente Amplio, set up in 1971. Spent the years of the dictatorship in clandestinity with thousands of its militants imprisoned. It is currently the main political force in the country (40% of the national electorate and an equivalent parliamentary representation).

It has governed Montevideo, the capital of the country for 13 years. It is a 'movement-coalition' made of the left political parties and territorial rank and file committees throughout the country. It has 200,000 members. The biggest organizations are the Movimiento de Liberación Nacional-Tupamaros, Socialist Party, Asamblea Uruguay, Vertiente Artiguista, and the Communist Party. The FA participates in the Sao Paulo Forum and its leadership nucleus (Grupo de Trabajo).

[5] Plenario Intersindical de Trabajadores-Convención Nacional de Trabajadores, the single trade union federation has 120,000 members, mostly in the public sector.

## A scenario of chaos

---

[6] The idea of a 'culture of government' opposed to a 'culture of resistance' has developed in the leadership of the FA, mainly, starting from the municipal government of Montevideo, in the hands of the FA since 1990.

[7] The crisis has generated an intense debate, both in the FA leadership and in the rank and file committees. The MLN-Tupamaros advocates a 'patriotic government of national salvation' and the Communist Party a 'government of national reconstruction', while the PS does not rule out the possibility of a constitutional law that would allow elections to be brought forward. In any case, the slogan on the walls of the cities and on the protest marches is "¡Fuera Batlle y el FMI del gobierno!" (Batlle and the IMF out of the government!)