

<https://npa31.org/spip.php?article634>



Latin America

# Lula and Chavez - diverging strategies

- IV Online magazine - 2005 - IV365 - March 2005 -

Publication date: Thursday 17 March 2005

---

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

---

**The recent World Social Forum in Porto Alegre was the occasion for a symbolic and political polarisation between Lula and Chavez. Over and above the convergences over Latin American unity and integration and the diplomatic relations between the two countries, the experiences of Lula and Chavez have largely different dynamics.**

The situation in Latin America remains profoundly unstable and in some cases explosive. It is one of the regions of the world that is most brutalised by the neo-liberal steamroller, but also one of those that has accumulated the most revolutionary experiences and witnessed the development of revolutionary movements.

[<https://npa31.org/IMG/jpg/chavlula1.jpg>]

However, the national economies have been strictly "adjusted" to fit in with the logic of the financial markets and international institutions. Public services have been massively privatised, the labour market largely deregulated, agriculture subordinated to agro-exportation and to domination by the latifundia and the big economic groups. In short, whole sectors have been laid waste by neo-liberal destruction, and in the case of Argentina, it is a whole country that has been dismantled.

In these conditions, Latin America has undergone successive waves of struggle and seen the emergence of experiences and the building of social movements that permanently stimulate resistance to the neo-liberal model: the Bolivian insurrections for the control of natural resources (gas and water); unions and the piquetero movement fighting unemployment and poverty in Argentina; social and democratic mobilisations based on the indigenous movements in Ecuador; mobilisations of civil servants against pension reform, of bank workers, combined with the deep-rooted movement of landless peasants in Brazil; the Bolivarian revolutionary process in Venezuela.

The accumulated strength of these social movements has also been expressed in the electoral victories of the Left: Gutierrez in Ecuador, Kirchner in Argentina, Lula in Brazil, Tabarez with the Broad Front (Frente Amplio) in Uruguay. It also found expression in the victory of Chavez in the recent referendum in Venezuela. This conjuncture puts a series of strategic debates back on the agenda.

## Lula's adaptation to neoliberalism

Placing himself in continuity with former president Cardoso, Lula began, his term of office by appointing to strategic governmental posts some of the most prominent representatives of the neo-liberal project: the minister Palocci and the director of the central bank, Mireilles. At the same time, he announced that Brazil would honour all its engagements, in particular the repayment of its foreign debt.

This would define a classical policy of financial and budgetary orthodoxy: increase in the budget surplus from 3.75 per cent - the rate demanded by the IMF for the repayment of the debt - to 4.5 per cent; rise in interest rates to 18.25 per cent; cutting of social budgets, in particular the funds allocated to the "Zero Hunger" plan; limits placed on the agrarian reform, due to problems of financing the occupation of land; refusal to honour his electoral promise of increasing the minimum wage: neo-liberal reform of pensions, with reinforcement of pension funds; de facto privatisation of the electricity sector through selling electricity at very low prices to the private sector; a counter-reform that reduced the power of workplace union branches, limiting their right to strike and to negotiate... To sum up, these measures curb inflation and support the exports of the agro-industrial sector, to the detriment of the agrarian reform.

They allow moderate economic growth in Brazil but accentuate the inequalities in Brazilian society.

Over and above the ups and downs of the social mobilisations of Brazilian workers, these policies have consequences for the mass movement: they weaken it in relation to the bosses, they disarm, disorient and demobilize it...

The Brazilian example is instructive: if you accept the criteria of the neo-liberal order and if you refuse to confront the ruling classes, the room for manoeuvre for a policy aimed at satisfying popular demands is virtually non-existent. A government that serves the financial markets cannot at the same time finance any kind of social policy. The problem is not economic. It is political.

## The Bolivarian revolutionary process

That is the fundamental difference with the experience of the Bolivarian process in Venezuela. Where Lula has sought to accommodate the financial markets and international institutions and make alliances with the Right, Chavez and those around him have chosen to confront US imperialism and its allies in the Venezuelan Right, basing themselves on the massive mobilisation of the Venezuelan people. The government was able to forcibly take back control of the management of the national oil industry (PVDSA) and thus redirect a large part of the oil revenues towards financing social programmes. Exchange controls, the dynamic of the agrarian reform - which authorizes the occupation of non-productive land, abandoned by the big landowners - and the recent expropriation of the Venepal paper mill, closed by its owner for political reasons, all strengthen the mobilisation of the partisans of the revolutionary "process".

We should also underline the organisation at grassroots level of committees for health and education, which have succeeded in obtaining, with the help of the Cubans, formidable results in both domains. Venezuelans now have access to universal free medical treatment, several hundred neighbourhood clinics have been built and several million people have restarted their education, from literacy classes right up to higher education. Six new universities, reserved for students from poor backgrounds, have been opened. More than 500,000 grants of 100 dollars have been distributed to those most in need. At the same time, these measures stimulate experiences of direct democracy. As a Venezuelan trade unionist put it neatly during the WSF: "Chavez's word has liberated popular energy".

That is the Chavez option: a policy of a partial break with US imperialism and the ruling classes, which is opening the way to the mobilization and to self-organization of millions of Venezuelans. It is not a question of making a new model out of it. The Bolivarian leadership has not overturned property relations and no structured revolutionary political movement appears to be emerging. So it is difficult to foresee how this new political experience will evolve in the future. But the Bolivarian process proves that there is no "one and only policy" whereby we are forced to accept the rules of the neo-liberal model. Certainly the oil revenues enable Chavez to finance social programmes. But he still had to confront the pro-imperialist forces up until the coup d'état of April 11th, 2002, a confrontation that Lula rejects.

However, the gigantic profits of Brazilian enterprises and of the big landowners also constitute the basis for carrying through a redistribution of wealth. It is a question of political will. And there, the Bolivarian revolutionary process is a formidable point of support.

*This article first appeared in the March 3rd issue of Rouge, weekly paper of the LCR, French section of the Fourth International. François Sabado is a member of the Political Bureau of the LCR and of the Executive Bureau of the Fourth International.*