



Santiago (Chile), October 2019.

Dear Friends,

Greetings from the desk of the Tricontinental: Institute for Social Research.

Impossible to anticipate the spur for rebellion. In Lebanon, it was a tax on the use of WhatsApp; in Chile, it was the rise in subway fares; in Ecuador and in Haiti, it was the cut in fuel subsidies. Each of these conjunctures brought people to the streets and then, as these people flooded the streets, more and more joined them. They did not come for WhatsApp or for subway tokens. They came because they are frustrated, angry that history seems to disregard them as it consistently favours the ruling class.

Chile has a growth rate of 1.5% - a drop from 6% in 1992. The export of copper has been the main earning for the country; as copper exports have slowed, so has the economy. Chile struggles with a high inequality rate - its Gini coefficient sits at 0.50 (midway between complete equality and complete inequality). The richest 10% in the country earn an income that is more than 26 times that of the poorest 10%. If you add in the wealth of the richest 10%, the gap is even more dramatic. Chile's tax system is notoriously regressive, with corruption legalised through the tax code. The government has raised the fees to the

Santiago metro (used by three million people - a sixth of the country) over twenty times since 2007; if you buy two rides a day, the fee absorbs 16% of your income). On 14 October, frustrated middle school students began a protest that targeted the fee increases and, more broadly, Chile's structural corruption.



Beirut (Lebanon), October 2019.

Lebanon's ruling class, like that of Chile, is encrusted with corruption, its political leaders collecting rents from government contracts, its public services saturated with graft. In 2016, the government established a Ministry for Combatting Corruption, although it inspires no confidence; a lawsuit was brought against the Minister of Anti-Corruption for corruption. Lebanon's 'austerity budget' for 2019 cuts public spending but keeps in place a regressive tax system. In 2015, politicians squabbled over who would get the contract for trash removal as the population walked over the garbage on the streets to say what they all knew: that corruption is not the exception, but the rule. 'You stink', the people said of the political class. It is a phrase that resonates to this day.

In Antonio Gramsci's notes on France during the Third Republic (1870-1940), he points out that the ruling class used corruption and fraud to buy off leaders of different factions to neuter any political opposition. The ruling class was not able to earn the consent of the population and it did not want to use force to batter the people into submission. Instead, it used corruption and fraud to disorient any opposition to its power, making sure that political bribery would paralyse and demoralise the people. Political parties of the bourgeoisie have entered into a conspiracy of corruption, eager to rhetorically attack corruption as they wallow in the theft of public resources for their own needs, as they allow the ruling class to remain on its long-term tax strike and to retain its fingers in the till for subsidies and tax benefits.

The United Nations' Financing for Sustainable Development Report (2019) shows that tax avoidance strikes countries of the Global South with a bludgeon because these countries rely more on corporate tax revenues than countries in the Global North. Corruption within countries is significant, but corruption by multinational corporations is in a different league - with hundreds of billions of dollars at stake (for more on the idea of tax strikes, read our first Working Document, *In the Ruins of the Present*). Techniques such as transfer mispricing and base erosion and profit shifting (BEPS) allow firms to declare profits not where value is extracted, but in low tax jurisdictions. These techniques are mostly associated with US-based multinational corporations. The ruling class in these countries - from Ecuador to Lebanon - is bathed in corruption, unable to move an agenda against it. That is why the people have flooded the streets: they see something of theirs on the streets, and they want it back.



Port-au-Prince (Haiti), October 2019.

It is important to ask why people have taken to the streets, to ask about their political orientation. In each of these cases - Chile, Ecuador, Haiti, and Lebanon - the core issue is that the people of these countries have been defrauded by their own bourgeoisie and by external forces (pointedly, multinational corporations). The protests have targeted their governments, but that is only because these are protests that want to uphold democracy against capitalism. These protests could go deeper, or they could fizzle out. These are the main choices.

Meanwhile, the ruling class does what ruling classes do: it sends in the military. The response in Chile, Ecuador, and Haiti has been harsh. You would expect it in Chile, where the government of Sebastián Piñera looks a lot like the dictatorship of Augusto Pinochet (the current Minister of the Interior Andrés Chadwick moved elegantly from his former appointment under Pinochet to Piñera without a glitch after many years of defending the notorious dictator). *Que lo vengan a ver, que lo vengan a ver, esto no es un gobierno, son*

*puras leyes de Pinochet*, the people of Chile sing, 'Come and see, come and see, this is not a government, these are just Pinochet's laws'. And Pinochet-level violence, with emergencies, curfews, and a large number of arrests.

Below, please find Red Alert #4 on Haiti. It comes to us from our comrades in Haiti. It gives a fuller assessment of the cascading protests in that country. You can download it here and read it below. Please circulate this important statement.



### *What is happening in Haiti?*

Haiti, with almost 11 million residents, is the most populous nation in the Antilles. It occupies the western third of the island called *Hispaniola*, the rest being the Dominican Republic. This island is the second largest in the Caribbean (the largest being Cuba).

Since mid-September, an intense wave of protests has cascaded across Haiti. Roughly five million people - half of Haiti's population - have participated in road blockades and marches. They demand the resignation of President Jovenel Moïse, reject any foreign intervention, and call for a resolution of the energy and economic crisis. Lack of fuel on the island is the spur. The protests have paralysed Port-au-Prince, Haiti's capital, and other cities and towns. Government and commercial activity have ceased. Water and food cannot be easily distributed, which threatens to plunge the country into a grave humanitarian

crisis.

The government's response has been to send in the police. More than twenty people have been killed and hundreds of people have been injured over the past weeks. Paramilitary groups - organised criminal groups that are often linked to politicians - have taken hold of everyday life. Where the people have been active against the government, these groups have been instrumental in intimidating and massacring them. Their mission is to shatter the popular confidence that has led to the protests.

The 'international community' - namely the United States, France, Canada, the Organisation of American States, and the United Nations - has either called for more foreign intervention or has pretended that nothing is happening in Haiti. These countries - the so-called Core Group - want Moïse's government to remain in power, while simultaneously holding conversations with conservative and 'centrist' sections of the opposition.

Social movements, leftist parties, and other progressive sections have formed a platform called the Patriotic Front. This Front calls for the resignation of the president, the prosecution of all those involved in the embezzlement of public funds and for the massacres, the creation of a three-year transition government, the creation of an emergency agenda that addresses the immediate needs of the people, fundamental reforms that revitalise the legitimacy of the electoral and political system that would lead to new elections, and the election of a constituent assembly to rebuild the nation.

This current cycle of protests builds upon the general strike in July 2018, when 1.5 million Haitians took to the streets. They protested the government's attempt to increase the price of fuel - as dictated by the International Monetary Fund. Those protests resulted in the withdrawal by the government of several unpopular measures and the resignation of Prime Minister Jack Guy Lafontant.

### *Why are Haiti and the Caribbean so important?*

In 1804, Haiti's people threw off the imperialist slave owners and created the world's first black republic. The imperialist powers would not allow this social revolution to succeed. From the first years, they set out to annihilate it and to prevent its example from spreading to other slavery states. Imposition of toxic debt by France (1825), an invasion by the United States (1915-1934), the establishment of the imperialist-backed Duvalier family dictatorship (1957-1986), and an international occupation by the United Nations (from 2004 to the present) has disrupted the ability of Haiti to drive its own historical agenda.

The Caribbean is amongst the most important geopolitical areas on the planet. Currently, it is home to two radical political processes - the Cuban Revolution and the Bolivarian Revolution in Venezuela. The attack on Petrocaribe, one of the spurs of the Haitian crisis, is a result of the imperialist attack on both Venezuela and Cuba.

Haiti is an island of great wealth with abundant resources of gold, copper, and bauxite (all estimated to value \$20 billion); it also has a labour force that has been routinely exploited through free trade zones by international firms that contract small-scale Haitian firms to manufacture textiles and assemble electronic goods for the North American market. Haiti has emerged as one of the key strategic points for the transfer of profits from drug trafficking.

### *What is the cause of the Haitian crisis?*

The key issue is fuel. The US sanctions against Venezuela wrecked Petrocaribe, the Venezuelan-Caribbean agreement from 2005 that brings cheap fuel into countries such as Haiti. The blockade of the Petrocaribe initiative and the IMF insistence that fuel subsidies be cut created six weeks of fuel shortages, a rise in fuel prices, an expansion of contraband fuel, and a paralysis in the transportation sector.

Haiti has long struggled with poverty, inequality, unemployment, and food insecurity. This fuel crisis has now resulted in the devaluation of the currency (*gourde*), 18% inflation, and the freezing of public sector salaries.

Haiti's economy was emptied out by the neoliberal policies put in place from the early 1980s. Agricultural production has been destroyed and small-scale manufacturing has wilted on the global commodity chain as industrial activity goes from one low wage area to another. Haiti does not have a national bourgeoisie: its bourgeoisie has been fully corrupted and marginalised by the interference of the 'international community'. Corruption has reached gargantuan heights: the Haitian bourgeoisie, state officials, and even the president are said to have participated in the embezzlement of \$2 billion from the public treasury - the equivalent of a quarter of the country's GDP.

Haiti's political class has been completely discredited. Electoral fraud in 2010 brought the ultra-neoliberal Haitian Tèt Kale Party (PHTK) to power; Moïse's presidency has no credibility amongst most of the population.

For over a century, Haiti's sovereignty has been obstructed. US occupation, military dictatorship backed by external actors, coup d'états, the international guardianship of the

UN- all of this imposes a political and economic direction that is fundamentally against the interests of the Haitian people and favours external interests over national sovereignty. Reconstitution of Haiti's sovereignty is paramount.



Marie Vieux-Chauvet's *Amour, colère et folie* (1968) captured the intensity of Haiti's history



of plantation slavery, revolution, occupation by the United States, military dictatorship of the Duvaliers, and the great hope - out of the Revolution of 1804 - for freedom. Claire, in this miraculous novel, writes:

Freedom is an innermost power. That is why society limits it. In the light of day our thoughts would make monsters and madmen of us. Even those with the most limited imagination conceal something horrifying. Our innumerable flaws are proof of our monstrously primitive origin. Rough drafts that we are. And we will remain so as long as we lack the courage to hack a path through the tangled undergrowth of life and walk with eyes fixed on the truth.

Warmly, Vijay.