Twenty-two million fall into poverty in Latin America during 2020, UN finds

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In its 2020 Social Panorama report issued Thursday, the UN Economic Commission on Latin America and the Caribbean (ECLAC) documents "unprecedented" social devastation during the COVID-19 pandemic, which set off the worst economic crisis in the region's history.

After years with negligible economic growth since the end of the commodity boom in 2014, the region saw its GDP fall 7.7 percent last year. This is far worse than the 5 percent drop in 1930, at the height of the Great Depression, or the 4.9 percent drop in 1914 at the beginning of World War I.

With 8.4 percent of the world's population, the region accounts for 27.8 percent of the globe's confirmed COVID-19 deaths. Brazil and Mexico have the second and third highest death tolls in the world, while Colombia, Argentina and Peru rank in the top 15.

The virus swept across societies shaped by imperialist oppression and the highest levels of social inequality—their health care systems overwhelmed even before the pandemic began. A majority of the region's workers scrape by in the informal sector, while public treasuries have been depleted for decades by social spending cuts and payments to Wall Street vultures. With the spread of COVID-19, the transnational corporations inflexibly opposed any prolonged shutdown affecting their factories, plantations, banks and store chains.

The UN Food and Agriculture Organization (FAO) reported in its last report, covering 2019, that 47.7 million people were going hungry across Latin America and the Caribbean, 9 million more than in 2015. It concluded that given the existing trend, this number would rise by another 20 million over the next decade. The agency warned, however, that the pandemic would cause the spike to go beyond their projections and called for "extraordinary measures" against an imminent social catastrophe.

Of course, no such measures were forthcoming. According to the ECLAC, 22 million fell below the official poverty line during 2020, reaching a total of 209 million, or more than one third of the region's population. Seventy-eight million or 12.5 percent were categorized as living in extreme poverty, the highest number in two decades.

The poorer you were at the beginning of the year, the greater the drop in income. However, the entire working class and rural poor saw their incomes fall to desperate levels. The report found that the income for the poorest fifth fell on average 42 percent, while that of the top fifth fell 7 percent.

Eight out of every 10 Latin Americans fall into the category of what the ECLAC calls "economic vulnerability," earning less than three times the minimum wage.

Unemployment rose to 10.7 percent from 8.1 percent. This doesn't include the massive numbers of working-age people that stopped looking for jobs, which reached 10.3 percent of the work force in Argentina, 10.8 percent in Chile, 12.8 percent in Mexico and 26.7 percent in Peru.

While varying significantly between countries, the policies to reduce the social impact of the crisis were miserable across the region.

The ECLAC found that in 2020, social assistance in the form of cash transfers or staples benefited 326 million people or nearly half of the population. Between March and December, however, no government provided an average monthly transfer greater than the poverty line. Only in Brazil, Chile, Panama and the Dominican Republic did it exceed the extreme poverty line.

The inevitable conclusion is that the measures were designed to starve workers and their families into accepting the lifting of the limited lockdowns implemented in mid-2020 and a reckless return to work.

While the data it presents is a criminal indictment of the native ruling classes and imperialism, the ECLAC limits itself to moral appeals and a submission to the capitalist imperative of reopening businesses and schools.

ECLAC executive secretary Alicia Bárcena called on the region's ruling elites to build a new welfare state based on "equality and sustainability," starting with an emergency universal basic income. In the report's presentation, a representative of UNICEF pointed to the huge disparities in access to online resources, but instead of demanding a massive investment in computers, internet access, training and hiring of teachers and specialists, he called for the reopening of schools.

What actually comes out of the report is the pressing need for a frontal assault on massive fortunes and brutal corporate exploitation across the region in order to contain the pandemic and meet basic needs.

This is clearly displayed in São Paulo, whose 33 dollar billionaires and 106,333 millionaires make it the most unequal metropolitan area in the region, and also the hardest-hit by COVID-19. At the same time, it has seen the eviction of thousands of families amid the raging pandemic. A woman unable to pay her $120 rent told AP after being threatened by police with eviction, "For the government, people like us are just dust." Now,

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authorities and trade unions are proceeding with school re-openings so that students' parents can generate profits at nonessential and unsafe workplaces.

Across Latin America and the Caribbean, according to the firm Wealth X, there were 8,260 individuals with more than $30 million in assets, with a combined wealth of $1.13 trillion. This enormous amount is likely an underestimation given the local elite's growing use of tax havens. Over the last decade, for instance, Colombian investments in Switzerland rose 697 percent.

Today's levels of inequality and the domination of economic life by Wall Street are the result of a protracted shift to the right of the entire Latin American bourgeoisie in response to globalization, the dissolution of the USSR and the deepening crisis of global capitalism. This process is mirrored in every part of the world.

This shift was reflected in the ECLAC itself, which kept its headquarters in Santiago, Chile after the 1973 US-backed coup, accommodating itself to the fascist-military Pinochet dictatorship even after the killing of four of its associates. After traditionally promoting state-led social reforms and import-substitution industrialization in backwards economies, the ECLAC chief at the time, Enrique Iglesias, applauded the "undeniable accomplishments" of Pinochet's "shock-therapy" privatizations, claiming these supposed advances were consolidated by subsequent governments.

In the last two decades, the bourgeois-nationalist forces of the so-called "pink tide" led by Hugo Chávez in Venezuela implemented limited increases in social spending and partial nationalizations, only to re-adopt policies based on social austerity once commodity prices fell.

In recent years, millions across the region have taken to the streets and carried out mass strikes to overturn the staggering levels of social inequality.

Student-led demonstrations in Nicaragua, triggered by an IMF-dictated pension cut, were crushed by the police and paramilitary forces, which used live fire against mass marches and hunted down suspected leaders, killing at least 325, leaving thousands injured and displacing over 70,000. The widening uprising was channeled by peasant and student organizations tied to the US State Department, as well as the American Chamber of Commerce, behind an aborted National Dialogue with the Daniel Ortega government.

In Honduras, demonstrations by teachers, students and health care workers were brutally repressed, with four protesters shot dead and another 20 students shot by troops who invaded the National Autonomous University of Honduras (UNAH). Demonstrations were demobilized by "opposition" trade unions and politicians calling for a "national dialogue" overseen by "foreign mediators," i.e., representatives of imperialism offering positions and buyouts.

October 2019 saw mass uprisings in Ecuador and Chile involving general strikes and marches with millions of people. The militaries were deployed in both countries leaving at least eight dead in Ecuador and 36 in Chile.

The trade union and indigenous organizations in Ecuador called off the protests after talks with the Lenín Moreno government. In Chile, a coalition involving the trade unions, the Broad Front and the Communist Party, backed by pseudo-left organizations, channeled discontent behind a referendum on re-drafting the Constitution in a process regulated by the far-right Sebastián Piñera administration.

Protests against the US-backed military overthrow of Bolivian president Evo Morales in November 2019 were crushed by security forces that left a death toll of 33 and involved the shooting at marchers from helicopters. With Morales, his party MAS and ostensible allies in the trade unions playing a leading role, demonstrations were channeled behind elections overseen by the fascistic coup regime.

In Colombia, a series of strikes and mass demonstrations began on November 21, 2019, against social inequality and austerity measures. Last September, protests were rekindled by a police killing. As the military and police massacred at least 17 demonstrators, the trade unions, working with the main opposition figure Gustavo Petro and the pseudo-left, channeled these demonstrations behind talks with the murderous Iván Duque administration, along with useless calls for the resignation of the defense minister, who has since died of COVID-19, and a superficial overhaul of the police.

In these recent experiences, workers and youth unwilling to accept further blows to their living standards and public services have taken to the streets outside of the control of the established institutions. So far, the ruling classes have relied on a carrot-and-stick strategy to bid its time: stints of murderous repression as preparations are made for dictatorship, combined with promises of democratic reform peddled by the official "left" and trade unions.

All the political forces and the trade unions that tirelessly work to subordinate the mass eruptions to bourgeois politics have paved the way to the murderous "herd-immunity" policies and the historic impoverishment over the last year, while laying the groundwork for the rise of a new wave of fascist-military dictatorships.

The pandemic crisis is inevitably intensifying the class struggle, with strikes by Sao Paulo teachers and Chilean health care workers and the mass protests in Haiti as initial signs. The crucial task confronting workers and youth is to build new organizations of class struggles and a new socialist, internationalist and revolutionary leadership. This means the establishment in every country of sections of the International Committee of the Fourth International.

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