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Authoritarian Neoliberalism

The Specter of Pinochet

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This essay explores the rise of populist demagogues and the economics of their regimes. Rather than marking a clear break with neoliberalism or a direct tie to early twentieth century fascism, these figures historically connect to the regime of Augusto Pinochet and illustrate a growing trend of authoritarian-neoliberalism.

The phrase “never forget” bears a particular significance in the twenty-first century, recalling immediately images of the 9/11 attacks on the centers of global power; Wall Street, the Pentagon, and the White House. When one considers that these attacks justified the global war on terror, which has in turn led to the rise of the Islamic state in regions destabilized by the chaos of war, it becomes clear that remembering this event is indeed crucial; however, there is another September eleventh worth remembering—September eleventh 1973, the day of the Chilean coup d’état that exalted Augusto Pinochet to the presidency.

This coup d’état proceeded a period of unrest facilitated largely by economic warfare waged by the United States, in the form of Henry Kissinger’s blockade under the Nixon Administration.¹ This blockade was formed due to Chile’s democratically elected leader, Salvador Allende, refusal to support the political and economic isolation of Cuba and because of the threats posed to American company profits by potential Chilean nationalization under his administration. Indeed, the United States government was even involved in the coup itself. As early as 1970 the CIA maintained, “It is our firm and continuing policy that Allende be overthrown by a coup.”² On September eleventh 1973 this coup was initiated and included the bombing of La Modena Presidential Palace and in the death of Allende, either by assassination or by suicide. After seizing power, Pinochet’s newly formed junta locked hundreds of thousands of people in detention centers, “disappeared” (killed) at

¹ <http://nsarchive.gwu.edu/NSAEBB/NSAEBB8/docs/doc20.pdf>

² <http://nsarchive.gwu.edu/NSAEBB/NSAEBB8/ch05-01.htm>

least 2,279 for political reasons,³ and tortured another 31,947.⁴ Pinochet took power by military force and used military force to maintain his regime.

Supporters of Pinochet's government included the Chicago Boys, a group of Chilean economists under Milton Friedman of the University of Chicago, who instituted a neoliberal economic agenda in Chile under Pinochet. Shortly after the coup, the United States ended the blockade and provided economic assistance to the newly instated government.⁵ The regime and its neoliberal policies are often credited for massively improving the economy of Chile but it is clear that without the US-facilitated coup, there would not have been US-facilitated aid and trade, which was crucial for the clientelistic economy.

In effect, Pinochet was the first neoliberal dictator. He was not the first capitalist dictator, as in a sense; any capitalist state forms a dictatorship of the bourgeoisie. But in the more traditional sense of "dictatorship," Singapore's Lee Kuan Yew, South Korea's Park Chung-hee, the German and Italian fascist governments, Estadio Novo in Portugal, Franco's Spain and numerous other right wing dictators embraced forms of capitalism before Pinochet. Where Pinochet's rule truly differs from these regimes is that his iteration of capitalism companies was far less corporatist because of the massive presence of US, allowing for a strong authoritarian police state to coexist with economic liberalization, globalization, and privatization.

Of course, it is necessary to note here that continental power relations have changed to some extent. Noam Chomsky notes that

³ http://www.usip.org/sites/default/files/resources/collections/truth_commissions/Chile90-Report/Chile90-Report.pdf Pg. 122

⁴ <http://www.usip.org/sites/default/files/Ley%2020.405%20Instituto%20Derechos%20Hu>

⁵ <http://nsarchive.gwu.edu/NSAEBB/NSAEBB8/docs/doc10.pdf>

This is a very interesting document. It includes both an examination of the executions under Pinochet with phrases like "the Junta's repressive image continues to plague it" as well as detailing new payments to the regime.

It was pretty clear at that time that at the next hemispheric meeting, which was going to be in Panama [7th summit of the Americas 2015], if the U.S. still maintained its position on these two issues [militarized war on drugs and isolation of Cuba], the hemisphere would just go along without the United States. Now, there already are hemispheric institutions, like CELAC, UNASUR for South America, which exclude the United States, and it would just move in that direction⁶

While Chomsky suggests that the hemisphere may no longer ubiquitously acquiesce to the interests of the United States, this decreased power does not mean that the position of the United States has been completely superseded. For example, Michel Temer, the current president of Brazil who came to power after a parliamentary coup, has again concentrated top positions of power in the hands of white men and seeks to maintain neoliberal economic policies. Temer has been an informant for the United States on policy related to Brazil.⁷ Thus, the influence of the United States is not as potent as it once was, but it is still evident.

But just because the United States' enforcement of its will across the entirety of a hemisphere has been dampened, does not mean that the ghosts of its imperial past do not still haunt the world. Pinochet's model of governance in particular seems to have remarkable significance in the present day; this model of authoritarian governance and ruthless market liberalism is being globalized by the rise of right-wing populism, returning home to the United States in the form of Donald Trump. This same legacy can also be seen in Narendra Modi of India, Vladimir Putin of Russia, and Recep Tayyip Erdoğan of Turkey, or in events such as Brexit, which indicate the rising power of a broader right-wing

⁶ https://www.democracynow.org/2016/5/17/chomsky_on_the_late_michael_ratner

⁷ https://wikileaks.org/plusd/cables/06SAOPAULO30_a.html

growth of a religious generation”²⁶ by Islamizing education and purging non-Islamist officials, while at the same time advancing a neoliberal economic policy addressed above. Putin’s government is close to the Orthodox Church and this connection is evident in the homophobic policies his government has pursued. Trump has made less of religious identity, although he was backed strongly by white Protestants,²⁷ Trump has relied on religion to marginalize Muslims, but less so in terms of a platform of actual religious governance; instead, his appeals are more to law and order and a strong national identity (similar can be said for Putin).

If one were prone to Leninist accelerationism, and to heightening the contradictions of capitalism, this recent trend might simply appear as a necessary stage in the dialectics. Capitalism in its most ruthlessly exploitative, expansionary, atomizing form as typified by the free market dogma of neoliberalism combining with states at their most viciously exclusionary, authoritarian, and undemocratic could potentially create type of awakening that would facilitate systemic change, but it also has the potential to hurl humanity off the ecological cliff. Unless the contradictions of capitalism particularly its massive inequality, its demand for constant growth at the expense of ecological systems, and fundamentally undemocratic organizational structure of the economy are addressed this is likely to happen regardless, if it has not already because of positive feedback loops facilitating the acceleration of climate change that we have little hope of slowing down. Our only hope is to bring down the specter of Pinochet and the capitalist order that birthed it!

²⁶ <http://www.independent.co.uk/news/world/europe/turkey-coup-president-erdogan-islam-akp-government-a7142836.html>

²⁷ <http://www.pewforum.org/2016/07/13/religion-and-the-2016-campaign/>

populism sweeping the world, particularly—though by no means exclusively—in developed nations. While the sentiments motivating it are often quite different, the results have been a doubling down on globalized capital under a more authoritarian state structure.

Pinochet’s ghost also appears culturally, in the alt-right’s embrace of his ideology, legacy, and likeness, in the form of memes. This cyber popularity is part of the broader effort to utilize popular culture to normalize white supremacism, fascism, and general far right ideology that helps the alt right to gain relevance and cultural capital. There are several Facebook pages dedicated to Pinochet, including Spicy Pinochet Memes and Pinochet Helicopter Rides and Rentals (which is a reference to his practice of throwing leftists out of helicopters and is now popularly and positively referenced by the alt-right). There is also a Reddit page r/Pinochet and several “dank meme stashes” that show the supposed current relevancy of Pinochet’s rule and ideology. What was once a relatively fringe Internet ideology has received mounting attention due to the associations between key figures in the Trump team and the alt right movement. Specifically, this link is shown by Trump’s appointment of Steve Bannon the head of right-wing news source Breitbart that serves as a gathering space for the alt right, as his chief strategist. Moreover, alt-right leader Richard Spencer even gave a speech after Trump’s election complete with the refrain “Hail Trump! Hail our people! Hail victory!”⁸ While this statement is a clear reference to Nazi Germany, Pinochet also serves as a regular reference for the movement. With Pinochet’s specter already haunting the political landscape it seems only natural that it should also haunt the broader cultural landscape through cyberspace and the far right.

While the pathway taken to power by Pinochet is very different from the path taken by the current batch of right-wing populist figures, who have mostly taken power through electoral rather

⁸ <http://www.cnn.com/2016/11/21/politics/alt-right-gathering-donald-trump/>

than military victory, there are certainly similarities between the processes worth exploring. There have been many comparisons made between these new demagogic figures and fascism, as there has been with Pinochet, and there is a certain use to this rhetorically as well as to explain certain elements of the regimes. Culturally the movements rely on similar sentiments and both clearly practice authoritarian governance, however the economic structures differ considerably.

The Trump campaign championed a strong message of national rebirth typified by the slogan “make America great again.” Implicit in this statement is an assumption of past greatness, an assumption that faces a strong challenge by the legacies of genocide, slavery, imperialism, ethnic cleansing and capitalist exploitation that tar the state’s history. Quite simply, it is a message of palingenetic ultra-nationalism, the core fascist myth.

[Palingenetic ultra-nationalism] Promises to replace gerontocracy, mediocrity and national weakness with youth, heroism and national greatness, to banish anarchy and decadence and bring order and health, to inaugurate an exciting new world in place of the played-out one that existed before, to put government in the hands of outstanding personalities instead of non-entities.⁹

Palingenesis can also be seen in Pinochet with quotes such as “They entrenched the above goals, the armed forces and police will lead to the restoration of our democracy, which must be purified rebirth of vices and bad habits that ended up destroying

⁹ “It promises to replace gerontocracy, mediocrity and national weakness with youth, heroism and national greatness, to banish anarchy and decadence and bring order and health, to inaugurate an exciting new world in place of the played-out one that existed before, to put government in the hands of outstanding personalities instead of non-entities.” Roger Griffin

the leaders of labour.”²³ The fundamental organization of the economy under the state structure inherently relies on a class hierarchy and a version of capitalism. The countries that have stayed under “communist” rule such as China have proven to be some of the most effective and integrated capitalist economies. This indicates two important things, capitalism has long been comfortable with authoritarian governance, and that authoritarian governance can actually manage a high degree of development and interconnectivity. Capitalism does not require democracy, it can do quite well with a state stripped of all its forms of inverted totalitarianism and rendered brutally and honestly authoritarian.

Much of that can be tied to capitalism’s willingness to incorporate local structures of hierarchy and culture in order to preserve its governance. This existed also under colonialism, with colonial powers relying on local authority figures to maintain their control. Examples include the British residency system where British advisors with the real power were placed behind a local ruler under the British raj and the régulos, traditional chiefs given governmental authority under the Portuguese colonization of Mozambique, and there are numerous other examples.

This takes on new significance with the rise of the authoritarian neoliberals. Modi and his party have combined Hindutva (the supremacy of Hinduism in India) and neoliberalism by ostracizing the anti-capitalists in the Hindu right,²⁴ appealing to traditional beliefs, playing up the ability to overcome caste with personal effort, “While Hindutva seeks an individuated but united Hindu social body, neoliberalism seeks atomized individuals relating on one-on-one terms with the market.”²⁵ Erdoğan meanwhile has rolled back on Turkey’s strong secular tradition and claims to seek “the

²³ <https://www.marxists.org/archive/lenin/works/1918/mar/x03.htm>

²⁴ <http://www.thehindu.com/opinion/lead/a-hindutva-variant-of-neoliberalism/article5868196.ece>

²⁵ <https://www.jacobinmag.com/2014/05/springtime-for-modi/>

have been mainly for people and the free flow of goods and capital across borders has faced little challenge while poor people of color die for the opportunity.

Ethno-nationalism appears to be on the ascendency and it is serving as the glue that is holding the globalized capitalist economy together. On the surface this may appear somewhat paradoxical, however, the roots of this order lie in the basic structure of the state itself. The modern state, the first real example of which is the US, and which was globalized at the end of explicit colonization through world institutions centered in the US and Europe (the former colonizing powers) and based on the model instituted there. This model is based in Westphalian definitions of sovereignty, which allowed for self-determination of national identities through the formation of the nation-state. At the core this dominant model of state formation is inherently exclusionary and would seem to fundamentally require a form of ethno-nationalism simply in order to constitute the body to be governed.

The model has also always been tied to capitalism, with the basic function of the state concerning itself with development and the necessary preconditions for it. This is evident in many of the institutions and practices of the state that are universal or practically so and can be directly tied to capitalist development or to the control of population necessary to facilitate it such as record keeping functions, census taking, mass schooling, social services, and development and financial agencies.²² It should be noted that even in self declared “communist” countries such as the USSR and China this fundamental capitalist logic has been followed. Lenin for example states in *The Immediate Tasks of the Soviet Government*, “Today, however, the same revolution demands—precisely in the interests of its development and consolidation, precisely in the interests of socialism—that the people unquestioningly obey the single will of

²² <http://www.jstor.org/stable/10.1086/231174>

our institutions” from a public speech exactly a month after taking power.¹⁰ This speech also invokes a Portalian spirit, recalling Diego Portales, a Chilean capitalist and presidential minister who helped shape nineteenth century Chile into an authoritarian government voted on by rich men. This national rebirth, formulated as a return to a semi-mythical past, is an essential part of a fascist project. It is evident to varying degrees in the various right wing populist figures and regimes today.

Turkish Prime Minister Recep Tayyip Erdoğan has also invoked rebirth in a formal political statements, such as in a speech last year saying, “Let November 1 [the date of parliamentary elections] be the date of rebirth for our nation. I am calling upon all of you to bury terror in the ground...”¹¹ He then went on to condemn the People’s Democratic Party, a left wing party that aligns with Kurdish interests, accusing them of direct links to the PKK, an armed group Kurdish organization in conflict with the Turkish state that has transitioned from orthodox Stalinism to a Murray Bookchin influenced libertarian socialism that the Turkish state considers a terrorist organization. Of course, this speech also displays a second similarity with traditional fascism: ethno-nationalism. Erdoğan’s invocation of a “terrorist” threat tied to an entire ethnic minority bears an eerie resemblance to Trump’s invocation of the threats posed by Muslims and refugees, which has also led him to call for the ban of all Muslim travel to the United States. This type of exclusionary ethno nationalism is also present in the presidency of Modi in India. Although he has reigned in his rhetoric somewhat since he condoned murderous anti-Muslim riots in 2002 in Gujarat, he has done little to stop the rising tide of Hindu Nationalism in his own party.¹² Putin,

¹⁰ <http://beersandpolitics.com/discursos/augusto-pinochet/a-un-mes-de-la-constitucion-de-la-junta-de-gobierno/1000>

¹¹ <http://www.dailysabah.com/politics/2015/09/16/let-november-1-be-the-date-of-rebirth-for-our-nation-president-erdogan>

¹² <http://foreignpolicy.com/2015/06/26/narendra-modi-india-safe-for-muslims-hindu-nationalism-bjp-rss/>

another similar figure, has demonstrated imperial desires in both Syria and the Ukraine and is known to make statements such as, “To forgive the terrorists is up to god, but to send them to him is up to me.” Which is indicative of both the machismo culture that pervades these new rulers, and of the logic of violent authority. Of course, the Russian army bombing campaign in Syria has been brutal. Anti-Muslim and anti-immigrant rhetoric is employed by the resurgent far right across Europe. This ethno-nationalism certainly ties to traditional fascism and has violent impacts.

However, important economic policy differences separate Pinochet and many contemporary figures from classical fascism. Traditional fascism is characterized by highly centralized authoritarian structures, which ultimately merge the state with private industry, at least to some extent. The state and private industry form a corporatist “third way” model as opposed to capitalism and international socialism with large amounts of state control over the economy. Russia follows this model to some extent, as oligarchs align with the state to form a tremendous corporatist system; generally, these regimes have neither nationalized industries that were not previously nationalized, nor created national businesses, nor changed the relations to global capital. Turkey has been liberal with its trading partners to an extent that allows for the import of valuable oil from the Islamic State.¹³ Erdoğan has also conducted numerous privatizations in a variety of industries and services, even delegating this work to a prime ministry of privatization administration.¹⁴ Modi has perused a neoliberal economic policy from before his presidency during his time in Gujarat, which has been based on the principles of private enterprise and economic growth.¹⁵ Trump, despite his language of “Draining the swamp,”

¹³ http://www.huffingtonpost.com/david-l-phillips/research-paper-turkey-isi_b_8808024.html

¹⁴ http://www.oib.gov.tr/index_eng.htm

¹⁵ <http://www.thehindu.com/opinion/op-ed/the-gujarat-muddle/article5896998.ece>

cally so-called white privilege is the privilege to be discriminated against.”²¹ Across Europe and America there is a perception of white identity as under threat, an idea that has fueled this rise of authoritarianism; however, this paranoid thinking is not exclusive to whiteness. In Turkey, Islamism and neoliberalism have joined forces against the Kurds, who act as ‘the other’ to be excluded. Not dissimilarly, in India, it manifests itself as Hindu nationalism and sets ‘the other’ as Muslims, again—especially Pakistanis.

Capitalism has long positioned itself in alignment with noble ideas about freedom and democracy, but this supposed freedom has always only amounted to as much freedom as one can buy and the democracy has always been suspect. This historical allegiance is however being challenged and the alt-right and its Pinochet memes serves as only one particularly curious manifestation of a global trend of anti-democratic sentiment. Capitalism is being increasingly separated from democracy. Even in many states that maintain outwardly democratic functions, authoritarianism serves far better to describe the actual method of governance. More and more capitalism, and a basically unaltered form of the same disastrous neoliberalism is merging with authoritarianism. Strong personalities with demagogic tendencies are winning the day against the technocratic bureaucrats who have governed the world without great challenge to their rule since the fall of the Soviet Union. The hegemony of the neoliberal order and its universalizing of form and function was cemented by the collapse of the berlin wall, but it is now being maintained by states erecting walls everywhere. Walls are being built between the US and Mexico, between Europe and Africa, along the boundaries of the European union, between India and Bangladesh, and numerous other borders around the world. This could seem contrary to the free trade principles of neoliberalism, however, so far these walls

²¹ <http://www.pri.org/stories/2016-11-25/alt-right-and-white-outrage-around-world-explainer>

is predicated on the destructive neoliberal order²⁰ adds irony to the fact that they are blamed for these chaotic conditions. Indeed, these victims of the system are blamed for the declining living conditions and justifiable anger about those conditions is funneled in ways that allow the basic economic structure that has created that discontentment to be maintained, while continuing and advancing the marginalization of the already marginalized.

Resentment is turned into a useful tool for maintaining that very power system that sparked the resentment. Neoliberalism has been particularly effective at funneling resistance into itself particularly with challenges from the left by utilizing identity politics to funnel demands into increases in representation within the system but not a fundamental change to it. Obama for example has been pointed to as an indication of progress as the first black president however conditions for black Americans have not improved. In fact, the wealth gap has increased, police violence is still rampant, and the war on drugs has been expanded—as have drone bombings, and mass surveillance. What we see rising now appears to be an inversion of that technique. Appeals to identity are wielded instead of structural criticism. These appeals do not focus on including people within the movements against massive, systematic oppression, instead they now focus on exclusion of the other, whoever they may be. The usage of identity stripped of structural and class analysis to advance political aims has been appropriated by the far right to advance a form of identity politics catering to white men, and advancing the interests of rich white men.

This new identity politics is based in identities, which have been dominant, and is often positions itself against perceived discrimination against this dominant group by the forces of neoliberalism and multiculturalism. Richard Spencer, for example, states "Ironi-

²⁰ <https://www.bostonglobe.com/opinion/editorials/2015/06/01/the-global-migrant-crisis/cQZsJl2wafcCDvwOIANCAN/story.html>

appears to be preparing for a neoliberal presidency as well, appointing mostly business executives, politicians, and party officials including Goldman Sachs' Gary D Cohn for director of National Economic Council.¹⁶

Pinochet's embrace of American companies is used by Robert Paxton to differentiate Pinochet's regime from fascism in that it was not free to expand or to challenge the foreign business interests.¹⁷ While the rest do not share the inability to expand, evident in Russian acquisition of Crimea and involvement in Syria, Turkish invasion of Syria, United States military interventions and bases worldwide, and Indian conflicts over Kashmir, none of them have a fundamental control over the economy. That control ultimately lies in the hands of the global capitalist class, some but definitely not all of whom reside within the nations themselves, rather than in the hands of the state or in merger of state capital. This system of control marks a fundamental distinction from the traditional fascist incorporation of economic ideas from both the traditional left and right, whereas the new breed of authoritarians have done little to change the base economic system. In a certain sense, this ineffective new breed lends some credence to the end of history narrative—although the governmental system seems to be shifting, neoliberalism still reigns supreme economically.

Government support for capital has, of course, always existed under neoliberalism and it important to note that while the state is often pitted against the market in this discourse, the neoliberal state, despite the rhetoric of freeing markets of state influence has never disappeared and state power in terms of enforcing the status quo has not been particularly challenged. After all, without state intervention, who would be there beat up protesters and striking workers? This question is somewhat facetiously asked and there

¹⁶ <http://www.nytimes.com/2016/12/09/business/dealbook/goldman-sachs-no-2-seen-as-a-top-economic-adviser-to-trump.html>

¹⁷ [https://libcom.org/files/Robert%20O.%20Paxton-The%20Anatomy%20of%20Fascism%20-%20Knopf%20\(2004\).pdf](https://libcom.org/files/Robert%20O.%20Paxton-The%20Anatomy%20of%20Fascism%20-%20Knopf%20(2004).pdf) pg 201

is a long history of using private security forces to accomplish the same task, although certainly there lies a nugget of truth considering the era of neoliberalism has shown a sharp rise in police militarization and the protection and support of private interests by the state.

These aforementioned regimes adhere rigidly to neoliberal economic doctrines is particularly interesting considering that all of these figures have achieved and maintained power by appealing to populist sentiments. The populism stems from a popular resentment of the status quo. Neoliberalism has its discontents everywhere it has appeared and after the 2008 financial crisis and the subsequent waves of austerity that swept much of the world, these discontents both left and right have grown vociferously. These discontents may be the first real challenge to the end of history narrative put forward by the technocrats in charge of maintaining neoliberalism. Living conditions have stagnated while real wages have stayed about the same since the 1970s despite a massive increase in productivity.¹⁸ In addition, under the auspices of austerity, based in a perverse logic of punishment for perceived indulgence, made all the more brutal for the fact that those punished rarely are or were in a position to do much indulging and that those who in such a position are usually let off the hook, social services that would have provided a cushion for this have been cut drastically. Through privatization, low cost or free services previously provided by the state are now operated by for profit industries with every incentive to maximize profits from the consumer, while spending as little money on the services as possible. Material conditions in highly industrialized economies have stagnated for all but the very elite in society; resentment towards the system seems only natural under these conditions.

Resentment of the status quo can, however, be funneled in different directions, movements such as Occupy have pitted the chal-

¹⁸ <http://www.epi.org/publication/charting-wage-stagnation/>

lenge in terms of class struggle with the enemy identified as the 1% while right wing populism is more likely to focus blame not on an internal divide between the rulers and the ruled but on a divide between an exclusively constructed people and the “other,” who is posseted as a threat to the existence of the people. There is often a deliberate effort to smear all left leaning challenges to this system as being pushed by and financially supported by the system, often with reference to George Soros in what often rings as an anti-Semitic Jewish power conspiracy.¹⁹ This claim, however untruthful it may be in specifics, however, does have an element of truth to it as much of the left, particularly the electoral left (including many of its more historically radical elements) have been active participants in spreading the neoliberal project and many self proclaimed socialist governments and leaders have been tasked with implementing austerity programs that have been no less harsh than the programs supported by conservatives. The inability of the left to offer a clear alternative and instead resign itself to the role of delivering (or at least promising) slightly less vicious austerity, has allowed for the right to dominate the criticism of this system and effectively tailor scapegoats to it.

The other most commonly used to invoke fear and resentment today (the immigrant or the refugee, particularly Muslims) also has been directly impacted by neoliberalism. Many of the immigrants and refugees immigrating to the United States, both documented and undocumented, are fleeing from regions destabilized in part by neoliberal free trade agreements and the United States war on drugs. The refugees seeking to gain entry into Europe from the Middle East and Africa are fleeing imperial wars and poverty that originate from colonial exploitation and its continuation today in the form of structural neo-imperialism under the auspices of free trade. That their existence as immigrants and refugees in the first place

¹⁹ <http://www.usatoday.com/story/tech/news/2016/11/24/george-soros-blamed-unseen-hand-behind-trump-protests/94334844/>