
Latin American "Pink" Countries: Left wing Governments, Right wing finance: Financialization and Fraud.

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Résumé

Real political changes have occurred in some South American countries. Many of which have argued that other left leaning governments have moved away from WC inspired economic policy, such as the Lula and Kirchner administrations in Brazil and Argentina. Over the past decade several of the largest economies in South America, including Venezuela, Brazil and Argentina, have therefore experimented with leftist governments in an uninterrupted fashion. Within this group we can add Uruguay since 2005, Bolivia since 2006, and Ecuador since 2007.

The process of distancing from structural reform policies has been different in each case, for example, the decisions of the Argentine and Brazilian governments to settle outstanding debt with the IMF was the culmination of a complex debate within different options for left governments. On the other hand, although operationally functional for years, the Banco del Sur has not yet to assume a role of significance in the financial situation of its member countries

The emergence of "pink governments" has elicited a range of reactions from different ideological groups, especially those which have sought a return to the "supervised stage" of relations with the IMF and World Bank. As these complex processes continue to evolve in unexpected ways, more recent dates have seen various rounds of give and take between "pink governments" and international creditors.

These are all processes have moved at different speeds and reached different depths, but early 2014 we can confidently argue that the economic objectives of left leaning governments – namely higher levels of investment and employment -have appeared to be ever more eclipsed by the financialization.

At the national level, political projects under democratically elected leftist governments have not been and are not intended to move away from the dominant monetary and tax policies. Nor would it appear that they have the capacity to do so. As Carrasco and Ferreiro (2014) argue, conditions imposed by international capital markets leave little room for discretion in the determination of the most important prices for Latin American economies, manifested in interest rate and exchange rate policies.

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In several isolated cases at the national level, the forces of financialization have led to other important examples of financial fraud, highlighted by the recent case of Eike Batista (Leahy, 2013), once the richest man in Brazil.

At the more local level, the great push of microfinance has led to widespread financial fraud and the continued informalization in many Latin American economies (Bateman, 2013), under "pink governments" or not.

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Mots-Clés: Austerity Policies, Democracy, Financiarization