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## ***Businessmen, "entrepreneurs" and development***

Throughout Latin America, the spread and triumph of the political right goes hand in hand with the real politicization of the business classes around the seizure of power. A modernizing capitalism, anchored in more profits and inequalities, but without social development.



Studies on *entrepreneurs* in Latin America are few and far between, because the large countries of the region are better known than the small ones. I have referred to this topic in other articles. Although the concept has been used to identify certain elites of merchants, mine owners, or other businesses during the colonial era, that usage is questionable, even if applied to the same sectors during the early republican era. Worse if one calls

"entrepreneurs" the landowners, planters and landowners who hegemonized the life of the Latin American republics until well into the twentieth century. The real entrepreneurs are associated with the capitalist development of the region: at the head are the owners of the means of production who employ direct wage labor, but in general they include all those who are part of the different segments of capital, among whom merchants and bankers stand out. If large, medium and small entrepreneurs are also distinguished, it is an absurd ideological invention to qualify as "*entrepreneurs*" individuals or families who, due to their condition of unemployment and underemployment, survive with any type of daily activity, which neoliberal ideologues qualify as "*enterprises*" and which such sectors assume as true.



It is difficult to research entrepreneurs, because sources are restricted and often hidden, closed or denied, even in state institutions. Disguised as "public limited companies", family businesses and endogamous practices predominate, forming *economic groups* with monopolistic and oligopolistic characteristics. But there is another area of research: class positions and the economic and political "thinking" (or "mentality") of businessmen, which is facilitated by access to sources with public information, documents in archives, media relations and, nowadays, access via the Internet. In addition, it is possible to establish the relationship of entrepreneurs with the processes of modernization, progress and development of each country, in order to ask what role they have played. And this is a story full of myths.

There is no doubt that entrepreneurs invest and generate jobs, as they like to emphasize. But it has become common for them to be unaware of the role historically played by state investments and the generation of public goods and services. Moreover, in Latin America, economic development never came exclusively from business growth, but from the action

of States, when in each country there were governments capable of promoting public education and health, investing in large infrastructures and forcing the improvement of social and labor conditions (abolition of slavery, agrarian reform, redistributive tax regime). imposing protective legislation on employers, workers, women, families and marginalized social sectors. In several areas, it was foreign capital that promoted some modernization that did not come from national investors (railroads, electrification), although these foreign companies have a long history of plundering resources, environmental destruction, overexploitation of the labor force, and government destabilization in a large number of Latin American countries (e.g., United Fruit, mining companies, and all oil companies).

Since the end of the 20th century and so far in the 21st century, [neoliberal ideology](#) has managed to unify the large and wealthy Latin American businessmen around several slogans that can be summed up in their demands for the privatization of public goods and services, the reduction or abolition of taxes, the reduction of the regulatory and economic capacities of the State to a minimum, the flexibilization and precariousness of labor relations. liberalize all types of markets and attract foreign capital. Not only that, businessmen and millionaires went directly into politics and have reached the presidency in several republics ([Mauricio Macri](#) in Argentina, [Michel Temer](#) in Brazil, [Sebastián Piñera](#) in Chile, [Guillermo Lasso](#) and [Daniel Noboa](#) in Ecuador, [Vicente Fox](#) in Mexico, [Juan Carlos Varela](#) in Panama, [Horacio Cartes](#) in Paraguay); They are part of congresses, they go on to occupy ministries or the directorates of key state apparatuses. They are reminiscent of the "old" *oligarchic regime* in Latin America, when political power was in the hands of an elite of ruling families, who excluded, with their despotic democracy, the masses. Today, the purpose of the "capture" of the state, which is becoming more and more visible and its main objective is to defend and guarantee the business sphere of the business class as such and to promote the achievement of greater profitability and profits. The problem is that they have believed that this will lead to a natural evolution towards social betterment. But existing studies show just the opposite. In addition, although there are profound differences between countries, classism and racism persist among business leaders, as has been particularly noted in Bolivia, Ecuador and Peru, which have widespread indigenous and mestizo-popular populations. The employer's treatment of workers and dependents is experienced on a daily basis. Systems of "modern

slavery" or unsanitary facilities, such as in Ecuadorian banana plantations, have merited studies and reports, but without a solution.



Precisely the economic policies that the top businessmen have managed to impose through direct control of the State or because of the degree of influence they have in governments, although they can lead to growth and modernization, have not built societies with human well-being and better living conditions for the population in any country. In short, the business model has historically not been conducive to *development*, as it does not provide solutions to the conditions that generate poverty, unemployment, underemployment and low wages and incomes among the vast majority of the populations of each country. With the privatization of public goods and, above all, public services, the middle classes, workers and popular sectors do not have the possibilities of taking good care of their living situation, which was previously covered by the State. The anarcho-capitalist libertarian proposals, which led to the presidential triumph of [Javier Milei](#) in Argentina, are business utopias under theoretical assumptions that, if practiced, will only aggravate economies and ruin social life.



The global Coronavirus pandemic in 2020 had a brutal impact on Latin America. In Ecuador, high-ranking businessmen and banks accumulated more, amid the neglect and death of thousands of people. Their labor slogans have become one of the most outrageous in the region to affect rights. Revived by the governments of L. Moreno and G. Lasso, the business-neoliberal economic model aggravated the national situation even with the unprecedented take-off of organized crime, causing Ecuador to return to the old conditions of Latin American *underdevelopment*, under a package of capitalist modernity. Throughout Latin America, the spread and triumph of the political right goes hand in hand with the real politicization of the business classes around the seizure of power. A modernizing capitalism, anchored in more profits and inequalities, but without social development.

*Juan J. Paz and Miño Cepeda for La Pluma, Ecuador December 11, 2023*

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