

# U.S. Economic Imperialism and Resistance from the Global South: A Prelude to OWS

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IT IS GENERALLY AGREED that Occupy Wall Street (OWS) was a response to decades of economic inequality in the United States. However, to focus only on the national dynamics of U.S. capitalism is to neglect the global role of U.S. economic imperialism since the 1970s and the resistance that developed in the global South to specific instances of that economic imperialism. This paper will consider how imperialist policies promoted by U.S. sponsored agencies and activities engaged in by U.S. corporations' elicited acts of resistance. In turn, the blowback from and resistance to U.S.-imposed economic imperialism informed the ruling elite responses to the economic crisis of 2008 and inspired the OWS movement of 2011.

Perhaps one obvious place to begin this investigation of U.S. economic imperialism is to trace out the development of Structural Adjustment Programs (SAP) in the 1970s and 1980s. As both a class strategy of elite core interests concerned about their falling profits and an imperial strategy to assert additional controls over resources, markets, and capital flows in developing nations, SAP-imposed demands for privatization and deregulation had devastating consequences for numerous countries and their populations. Those consequences are dramatically revealed in Mike Davis's brilliant and disturbing book, *Planet of Slums*. As Davis points out, Structural Adjustment Programs, promoted by the IMF and World Bank, not only accelerated the move of the rural poor to growing urban slums, but also eroded, through privatization and debt schemes, the capacity of the state to underwrite public investment and development. Davis cites one researcher's study of the impact of SAPs on agricultural development in Africa:

Subsidized, improved agricultural input packages and rural infrastructural building were drastically reduced...(P) easant farmers were subjected to the international financial institutions' "sink-or-swim" economic strategy. National market deregulation pushed agricultural producers into global commodity markets where middle as well as poor peasants found it hard to compete.

As a further consequence of these economic dynamics, Davis underscores an increasing immiseration and imposed underdevelopment throughout the developing world. "In Luanda," he writes, "where one quarter of the households have per capita consumptions of less than 75 cents per day, child mortality (under five) was a horrifying 320 per thousand in 1993—the highest in the world." Davis cites the Nigerian author Fidelis Balogin on how IMF-mandated SAPs turned into an instrument of "re-enslaving" Nigerians:

The weird logic of this economic programme seemed to be that to restore life to the dying economy, every juice had first to be SAPed out of the under-privileged majority of the citizens. The middle class rapidly disappeared and the garbage heaps of the increasingly rich few became the food table of the multiplied population of abjectly poor. The brain drain to the oil-rich Arab countries and to the Western world became a flood.

Of course, this flood was not a natural disaster but the logical outcome of the IMF and World

Bank dam busters. Behind the IMF and the World Bank stood the U.S. government, eager to find new markets for its subsidized exports and to extend what would become toxic loans to already indebted Third World nations. In 1985, the U.S. Treasury Department enacted what was designated as the Baker Plan (named for James Baker, then Secretary of the Treasury). The Baker Plan called upon the 15 largest Third World debtors to forego any state subsidies or provisions for development in order to receive needed international loans. As Davis makes abundantly clear, "Everywhere the IMF and World Bank—acting as bailiffs for the big banks and backed by the Reagan and George H. W. Bush administrations—offered poor countries the same poisoned chalice of devaluation, privatization, removal of import controls and food subsidies, enforced cost-recovery in health and education, and ruthless downsizing of the public sector."

Combined with real natural disasters, like drought, and other manufactured dislocations, like rising interest rates and falling commodity prices, whole continents from Africa to Latin America were subjected to conditions even more devastating than the Great Depression. As a single example of that devastation, Davis cites how a 1991 SAP raised the cost of living in one year by 45 percent in Harare and resulted in the hospitalization of 100,000 for malnutrition.

The devastation and disruption wrought by U.S. economic imperialism was obviously co-determined by willing ruling classes in certain countries. In numerous instances, foreign governments and their colluding political and economic elites helped to construct financial and political arrangements conducive to the array of domestic and foreign economic interests and detrimental to the poor majority. For example, in between the near bankruptcy in 1982 and the financial collapse in the mid-1990s, the Mexican Government and various bankers aided a "Washington Consensus" that tied the Reagan and Clinton Treasury Departments together with the IMF and private banks. Under Clinton's Secretary of Treasury, Robert Rubin, a former Citibank and Wall Street manager, private banks, including Citibank, used both the Mexican and U.S. governments to salvage their bad economic investments. With the full participation of the Mexican presidents during this time, but especially by Carlos Salinas de Gortari, neoliberal policies and programs were adopted that, among other changes, privatized former communal farms and, in the process, forced Mexican peasants into the cities or across the U.S. border. Furthermore, in taking away land that had been used for subsistence farming and the growing of corn, U.S. corn imports, primarily the less nutritious and even GMO yellow corn, flooded the Mexican markets. NAFTA accelerated U.S.-subsidized agricultural imports, in particular, even though it did lead to the emergence and resistance by the Zapatistas and others in Mexican civil society.

WHILE PRIMARILY A RESPONSE to the debt crisis and neoliberal policies in Mexico, including the implementation of NAFTA, which, in turn, drove those on the margins into further economic and political deprivation, the Zapatista Army of National Liberation (*Ejercito Zapatista de Liberacion Nacional*—EZLN) opened a significant front against U.S. economic imperialism and global neoliberalism. Embracing the legacy of political struggles from the Mexican past, the Zapatistas also looked forward to creating a new and better world. In the January 1 missive that accompanied their occupation in Chiapas, the legacy of past conflicts acknowledged the role of the poor, despised, and marginalized: "We are the product of 500 years of struggles: first against slavery, in the War of Independence against Spain led by the insurgents, then to keep from being absorbed by U.S. expansionism, then to enact our Constitution and expel the French Empire from our land, then the Porfiro Diaz dictatorship prevented the just application of the Reform laws and the people rebelled, developing their own leadership, Villa and Zapata emerged, poor men like ourselves." After close to a year of public engagement that saw the intervention of the Mexican army and the establishment of a wary truce, the EZLN issued another declaration about their political intentions: "The Zapatista plan today remains the same as always: to change the world to make it better, more just, more free,

more democratic, that is, more human."

Although the Zapatistas had been organizing for a decade prior to their dramatic public insurgency, the first years of that public existence, marked with much bad faith from the government, did manage to create waves far beyond the Mexican shore. In fact, the Zapatistas electrified a global audience not only with the audacity of their action critique against neoliberalism but also with their new ways of doing politics, from the use of the internet to their invitations to dialogue to their eschewing of seeking power for themselves. One of the EZLN's most prominent spokespersons, Subcomandante Marcos, expressed the desire and hope for that new politics (with resonances for OWS): "In the midst of this navigating from pain to hope, the political struggle finds itself bereft of the worn-out clothes bequeathed to it by pain; it is hope which obliges it to seek new forms of struggle, new ways of being political, of doing politics. A new politics, a new political ethic is not just a wish, it is the only way to advance, to jump to the other side."

The universal aspirations to realize another world expressed in the Zapatista movement caught the attention of millions around the world struggling against neoliberal globalization and for the creation of equitable alternatives. "Zapatismo is not a movement restricted to Mexico," argues John Holloway, "but is central to the struggle of thousands of millions of people all over the world to live a human life against and in an increasingly inhuman society." On the other hand, the Zapatistas were able to bring an indigenous and pre-modern sensibility to the post-modern task of imagining and creating a world that not only validates the desire for autonomy but also for emancipatory politics. As noted by anthropologist June Nash, "the discourse of the Zapatistas reflects primordial roots of both inspiration and identification: their strategies reflect a sure sense of the political process in which they are situated and which they are trying to push to new levels of pluricultural existence."

Beyond the connections the Zapatistas have established on the global stage, they have also continued to build those autonomous spaces and communities in the state of Chiapas. As pointed out by Ryan Hollon and Karen Lopez, the "Zapatistas view their efforts as part of a struggle to support all those indigenous communities living in a shared context of poverty and isolation." Among those autonomous spaces are learning communities and health facilities that both supplant the state and contest its authority. Expanding their culture of resistance, the Zapatistas have managed to sustain their own indigenous communities while building the kind of radical democratic structures that are an inspiration to those seeking another and better world.

Certainly, the conditions in Mexico that produced the EZLN are important to recognize, as well as the transformations and efficacy of the Zapatistas various campaigns in that country. However, the message, in particular, of Subcomandante Marcos resonated globally, especially as a project of a radically democratic and diverse political alternative to U.S. economic imperialism and global capital. Marcos deliberately played with a kind of shape-shifting universal oppressed person, especially evident in the following communiqué:

Marcos is gay in San Francisco, a black in South Africa, Asian in Europe, a Chicano in San Isidro, an anarchist in Spain, a Palestinian in Israel, an indigenous person in the streets of San Cristobal...In other words, Marcos is a human being in this world. Marcos is every untolerated, oppressed, exploited minority that is resisting and saying "Enough!"

While embracing those who were despised and marginalized, both Marcos and the Zapatistas made clear their insistence that they sought mutual solidarity. The Zapatistas called for joining forces around the globe in a common, but diverse, endeavor for insurrection. For Marcos, the

rebellion promoted by the Zapatistas was an invitation to listen to a

network of voices...a network that covers the five continents and helps to resist the death promised to us by Power....There follows the reproduction of resistances, the I do not conform, the I rebel. There follows the world with many worlds which the world needs. There follows humanity recognizing itself to be plural, different, inclusive, tolerant of itself, with hope.

The network of voices inspired by Marcos and the Zapatistas certainly led to the articulation of shared resistance and mutual solidarity perhaps most succinctly articulated in the slogan of "One No, Many Yeses!" Seeking ways to valorize that resistance and mutual solidarity, the Zapatistas provided a critical voice in their national intervention against U.S. economic imperialism and global neoliberalism. Beyond that intervention, they offered a new way of connecting to a vision and practice of globalization from below. By invoking a global consciousness for the excluded, the Zapatistas opened up the possibility of projecting another world or even other worlds where dignity would reign. As noted by Fiona Jeffries,

In the Zapatismo mirror, solidarity is the building of alternative resistance networks around the world through the practice of radical democracy, liberty, and social justice with a related emphasis on localism, autonomy, and horizontal relationships among all the participating groups and organizations.

Another instance of resistance to U.S. economic imperialism and global neoliberalism emerged from further south in Bolivia. When the U.S.-based Bechtel Corporation, a top-ranked global construction company with over 19,000 projects in 140 countries, took over the public water system in Cochabamba, Bolivia at the end of the 1990s, it met with growing organized resistance. At first, however, the Bolivian government facilitated the privatization of water by Bechtel through prohibiting other mechanisms of water allocation and expanding commodification over all means of water collection, including gathering water from rain.

After Bechtel's subsidiary, Aguas del Tunari, raised residential water rates that led to spending anywhere between 1/4 to 1/3 of the average monthly wage (\$60) for water, Bolivians throughout the Cochabamba area began to organize opposition to the new water rates and laws. According to Rosseline Ugarte, a young woman involved with the resistance, "The water laws did not allow you to have your own well in rural communities. You had to pay a certain amount for your own well. How could they charge us for our water? Next it would be air."

Mobilizing on this outrage, rural and urban residents began erecting blockades in January 2000. The main plaza of Cochabamba became the site for the ritual burning of water bills. In response to these protests, the government froze increases but refused to cancel the contract with Bechtel even though close to 100 percent of residents supported the cancellation. As resistance mounted, the government turned to forms of political repression, resulting in the declaration of martial law in April. This did not deter the determined and organized residents of Cochabamba who responded with even more massive mobilizations. As one of the participants recalled, "All of the neighborhoods in the city were organized. They were overcome with the feeling of resistance...(They) brought food to those in the city center who were resisting, because the protests raged day and night...It was a huge gesture of solidarity." In the face of such determined opposition, the government cancelled the contract. Even though Bechtel then sued for lost revenue, national and worldwide pressure forced the company to drop its claims.

Certainly, these actions of resistance in the global south from the Zapatistas to the Cochabamba water war did not provide the immediate backdrop to OWS. The more proximate inspirations could be traced to the Arab Spring and European Summer. However, the financial implosion in 2008 led the U.S. financial and polite elites to turn to the IMF structural adjustment playbook. According to economist Michael Hudson,

the Obama bank bailout is arranged much like an IMF loan to support the exchange rate of foreign currency, but with the Treasury supporting financial asset prices for U.S. banks and other financial institutions...Private-sector debt will be moved onto the U.S. Government balance sheet, where "taxpayers" will bear losses.

So, when protestors from OWS chant: "Banks got bailed out; we got sold out!" the connections to IMF structural adjustment programs promoted by U.S. economic imperialism may not be readily evident, but the chain reaction is there. Thus, a global thread of economic exploitation binds the multitudes from the Global South to the 99 percent in the U.S. Indeed, the fierce cries from the Global South resonate in the shouts propelling the Occupy movement into the streets and onto the path of radical resistance. What Occupy now shares with the Zapatistas and the water war in Cochabamba is a distrust of and antagonism to the political system and the ruling elites and the expression of class and communal solidarity. Whether OWS, like the Zapatistas, can create autonomous and alternative institutions is still an open question. On the other hand, there is now no question about the growing resistance to global capital.

## **Footnotes**