

## GLOBALIZATION AND MOBILIZATION IN THE NEOLIBERAL ERA IN LATIN AMERICA<sup>1</sup>

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How have Third World peoples responded to changes rooted in neoliberal transformations? Below I explore ways that victims of reform have addressed and redressed deprivations and felt-injustices experienced as a result of recent economic restructuring. Their strategies have ranged from individual efforts to “exit”, to opt for more promising alternatives, to covert non-compliance with demands made of them, to more overt coordinated collective forms of resistance. A combination of new deprivations and injustices, new frames for interpreting them, and new perceptions of how conditions perceived unsatisfactory can be corrected, have ushered in new movements that draw upon post-modern and anti-modern as well as modernist claims and strategies.

I focus below on neoliberal resistance in Latin America. First, macro political, social, and cultural, along with economic changes, that have swept the region (as well as other parts of the Third World) by storm since the mid-1980s, are briefly described. Then follows a discussion of the two key “exit” strategies, migration and emigration. The remainder of the essay focuses on social mobilizations stirred by specific types of neoliberal reforms, from the vantage point of social bases of movements.

But the relationship between neoliberalism and resistance is rarely direct. People’s reactions are tempered by a range of mediating factors, including state structures and strength, state/society relations, rights, the vibrancy of civil society and society in its less organized form, and underlying identities, mediating factors that may change over time, including as a result of earlier mobilizations for change. The mediating factors shape how people perceive conditions, options, and risks of rebellion; they also shape the form movements take. In essence, the patterning of resistance to neoliberal reforms is shaped by group life, institutional structures, and cultural beliefs, while the impact of

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resistance may hinge on how persons in authoritative positions respond. Accordingly, the repertoire of resistance is best understood from a contextualized institutional perspective.

Contrasting with the institutional approach I draw upon are, at one extreme, neoliberal economists and others who attach primacy to global modernization dynamics and transnational homogenizing tendencies, as well as international policy makers and political analysts who point to a correlation and natural affinity between democratization and market reforms. They perceive the homogenization to be good and political institutions the basis for channeling concerns. Their frame of analysis does not point them to social movements, which they would see as obstructions to the full play of market forces and democratic institutional practices.

Post-modernists, at the other extreme, focus on local resistance and local variability, which they attribute to disparately held beliefs and norms. From their perspective Third World people do not automatically accept the views and practices imposed from “above” and abroad, and there is no unilinear path of development. In place of global universal structures, processes, and values, post-modernists highlight what they call “decentered” particularities, rooted not merely or mainly in institutional relations but in individual and group perceptions and beliefs. Paradoxically, the two extreme perspectives gained currency in the 1990s.

Meanwhile, Marxian analyses continue to attribute primacy to class dynamics on the national and international level, and they see social change as driven first and foremost by class interests. To the extent that they focus on resistance to change, they highlight economically rooted social movements, above all movements rooted in relations of production. State-centric analysts, in turn, highlight how the state, institutionally and ideologically, mediates between globalization tendencies on the one hand and civil society on the other. Social movements accordingly are seen not merely as responses to globally grounded tendencies, class dynamics, or “decentered” local beliefs, customs, and norms, as neoliberal/modernization, Marxist, and post-modern analysts emphasize, but to state institutional structures, practices, and discourse.

Each perspective focuses on distinctive features of a world that in the concrete is complex. Each frame of analysis highlights certain tendencies while leaving others unnoticed, undocumented, and unanalyzed. While a specific frame of analysis may reveal more, and more accurately account for what indeed transpires, precisely because different frames privilege different information each is more illuminating in certain contexts than others. Ways that and conditions under which features identified with the different perspectives highlight and explain neoliberal-linked social movement dynamics are explored below, in so far as they take meaning through historically grounded institutional life. First, though, a brief overview of the dramatic macro changes that have swept Latin America and other regions of the Third World since the latter 1980s, the period of study, will be summarized.

### ***Global Restructuring***

With the collapse of the Soviet Union and the Soviet Bloc capitalism emerged indisputably victorious. In the new world order came a new economic model, one that the U.S., and multilateral institutions with which it is associated, used their power to impose: neoliberalism. Neoliberalism privileges market forces. It calls for the removal of obstacles that prevent the free mobility of land, labor, and capital, globally and not merely within the confines of the nation state. Pillars of neoliberalism include price and trade liberalization, the privileging of market forces, and a minimalist state.<sup>3</sup> Neoliberal proponents also advocate political-economic decentralization, to weaken further central government power.

As is well known, in the immediate post World War II period import substitution had been the development strategy of choice. Conceived in Latin America, it was designed to carve out space for national capital. With import substitution governments promoted industrial production for the domestic market. In so doing they neglected exports that could offset import costs, and they installed tariffs that shielded inefficient enterprises from foreign competition. The debt crises of the 1980s, rooted in good part in the weak export sectors, proved the coup de grace to import substitution. The development model was discredited, and the crises created the conditions under which the International Monetary Fund (IMF), with U.S. and foreign bank backing, pressed for neoliberal restructuring.

In contrast to import substitution, neoliberalism was imported from the “north” and it is foreign-friendly. It is premised on a modernization conception that envisions poor countries as potentially and ideally replicating the experience of the industrial world, above all the U.S. What is perceived as good for the U.S. is presumed good, in turn, for the lesser developed world.

In joining the neoliberal bandwagon, Latin American governments lowered barriers to trade, eliminated or reduced price subsidies, privatized their economies, encouraged exports and policies to make their export sectors more competitive, and reduced state social expenditures. The measures were designed to remove market “fettters” and make for a leaner and less interventionist state. The changes facilitated a restructuring of production, consumption, and capital accumulation on a global scale.

By the early 1990s democracy as well as neoliberal capitalism appeared victorious. The world experienced a so-called third democratic wave. Latin America joined the bandwagon. Repressive military regimes that ruled in most countries in the region since the 1960s and early 1970s were relegated to the dustbin of history, though not before hundreds of thousands of Latin Americans were murdered, millions internally dislocated, and others forced into exile. Both changes abroad and domestically contributed to the political transformations. For one, U.S. military support subsided with the end of the Cold War, except to drug economies of the region. Latin America became,

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<sup>3</sup> At the same time, neoliberalism called for tax reform, to improve fiscal revenue as revenue from former sources, such as from former state-owned enterprises and from tariffs on trade, declined with the implementation of the above-mentioned measures. It also called for a strong central bank and strong judiciary to enforce property rights.

from Washington's vantage point, safe for democracy. There was said to be a natural affinity between market economies and competitive party electoral regimes.<sup>4</sup> But, secondly, domestic pressures helped usher in the political changes, in contrast to the economic changes. Broad-based cross-class movements in many countries had helped delegitimize the military governments. Here, there was a convergence of interests between what most Latin Americans and Washington wanted.

At the same time, new global social and cultural trends made their way to Latin America. New non-governmental organizations and networks brought new material resources, and more importantly, new ideas and social capital to the region. They brought new conceptions of rights and sparked new identities, including among indigenous peoples, women, and other social minorities. Reflecting the new views, the constitutions of the new democracies included for the first time rights for minorities, not merely as individuals but as collectivities. Latin American governments officially, as a consequence, no longer insisted exclusively on individual assimilation.

Below I analyze how victims of reforms at times pursued escape strategies while at other times they rebelled. I do so in the context of new government prioritization of trade liberalization and exports, state sector downsizing, and subsidy cutbacks, key emphases of neoliberalism. While the social bases and roots of resistance against new reforms are analytically distinguishable, in actuality they often are fused with grievances having a range of roots.

The examples of protest I provide are illustrative. They are based on information combed from newspaper accounts, summaries of Latin American weekly news, statistical compilations, and secondary sources.<sup>5</sup> I focus on economically grounded protests, but include movements centering on new socially constructed identities that combine non-economic with economic demands. As of the 1990s ethnicity and gender, for instance, and not merely class, became important sources of identity and bases through which the new economic order was experienced and challenged.

### *Exit Versus Voice*

People unhappy with their plight may seek individual means to improve their plight. Indeed, in Hirschman's terminology exit is more common than voice.<sup>6</sup> The risks

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<sup>4</sup> The belief in the "natural affinity" came with collective amnesia about recent political-economic history. Some of the repressive military governments were the first to embrace neoliberalism. Indeed, General Pinochet's Chile, transformed with the advice of the so-called Chicago Boys, became the neoliberal economic model for the region.

<sup>5</sup> The principal primary sources I draw upon are *The New York Times* and *Latin American Weekly Report*, statistical sources compiled by the World Bank (*World Development Reports*), the Industrial Labour Office (*Yearbook of Labour Statistics*), and the U.S. Immigration and Naturalization Service (*Statistical Yearbooks*). For a more detailed discussion of Latin American social movements in the 1990s, including of sources, see my Epilogue in Eckstein (2001).

<sup>6</sup> For a discussion of conditions giving rise to "exit" versus "voice," on the one hand, and "loyalty" on the other, see Hirschman (1970). My analysis of the range of responses to conditions disliked is, in addition, consistent with that of Scott's (1985, 1990) seminal work on "everyday forms of resistance."

are less, and the potential gain often better. However, individual responses are not risk-free or without personal cost. And because individuated responses are embedded in family and community, they need to be understood in the context of collective traditions and practices.

During the import substitution era the privileging of industry over agriculture caused rural conditions to deteriorate. The deterioration of agrarian and the concomitant expansion of urban opportunities together induced large-scale rural-to-urban migration, and migration from provincial to key cities in the region. In 1980, already before neoliberalism took Latin America by storm, the region had an urbanization rate at least twice that of other Third World regions, a rate not much below that of the wealthy countries with more developed industrial and post-industrial infrastructures (see Table 1). In Latin America, the rural exodus was rooted first and foremost in the highly inegalitarian distribution of land and rural income and abysmally low rural wages, and in few state supports enabling the peasantry to make productive use of land. The rural-to-urban exodus continued as neoliberalism became entrenched. When opting for migration at the end of the century Latin Americans built on decades-old rural-urban networks.

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TABLE 1  
LATIN AMERICAN POPULATION LIVING IN CITIES

Year	Percent
1960	49
1970	57
1980	65
1990	71
1995	73
1997	74

Source: World Bank, *World Development Indicators 1999* (1999-CD-Rom).

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However, rates of urbanization became so high by the 1990s that the migration option began to close down. Under the circumstances, citydwellers on a reduced scale turned to “reverse migration.” More significantly, urban and rural dwellers alike saw emigration, primarily but not exclusively to the U.S., as their best hope. Migration across borders reflects a growing disparity in opportunities between the weakest and strongest economies in the region and, most of all, between all Latin American countries and the U.S., the core economy in the hemisphere. Noteworthy, neoliberalism in the Western hemisphere does not allow for the free legal mobility of labor across national borders, only for the free mobility of capital.

Latin American emigration rose to the point that the region came to account for about half of all legal émigrés to the U.S. Emigration picked up with the debt-crises and deep recessions that set in with the implementation of austerity and other IMF-backed reforms. In some countries, especially El Salvador, Guatemala, Nicaragua, Peru, and Colombia, political violence only partially explained by neoliberal-linked economic dislocations further spurred emigration. Rates of legal migration, which tapered off somewhat in the early 1990s, picked up later in the decade. And when unable to emigrate

legally, because of U.S. entry restrictions, Latin Americans turned to ways to enter illegally (see Table 2).

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TABLE 2  
LATIN AMERICAN AND CARIBBEAN IMMIGRATION TO THE UNITED STATES

a. Legal Immigrants

Number of Immigrants	
1961-1970	1,303,064
1971-1980	1, 812,796
1981-1990	3,458,287
1990	940,865
1995	218,650
1997	295,918

Latin America as Percent  
of Total U.S. Immigration

1955-64	41%
1965-74	46%
1975-84	40%
1985-94	54%
1995-97	43%
1998	45%

b. Estimated Illegal Immigration, October 1996

Total number from Latin America  
(of Top 20 Countries of Emigration)    3,730,000

Latin American as % of Total  
Immigration from Top 20 countries    75%

% of All Undocumented Immigrants  
from Western Hemisphere    80%

Source: U.S. Department of Justice, Immigration and Naturalization Service (INS) *1997 Statistical Yearbook of the INS* (Washington, D.C. 1999), pp 20, 25-31, 199-200.

***Domestic Resistance to the Reduction of Trade and Foreign Investment Restrictions***

Pressed to generate hard currency, to pay for imports and to repay foreign debts, Latin American governments have used their powers to promote exports since the mid-1980s. Given close ties between political and economic elites, governments addressed their export concerns in a manner that favored large-scale commercial farm exporters over peasant producers. Large farmers are more efficient in output per unit of labor input but often less efficient in per acreage yields. And within the industrial sector, governments favored maquila-type firms that produced for foreign markets, industries in which they at the time had a competitive advantage, based on cheap local labor. The

governments simultaneously adjusted their exchange rates to favor exports.<sup>7</sup> While the shift in emphasis may have been economically wise at the macro level, many peasants and workers, as well as the credit-dependent middle class, experienced dislocations, deprivations, and new insecurities as a result. Had “exit” not been an option, tensions undoubtedly would have been even greater than they proved to be. Resistance movements that the reforms stirred built on cultural, social, and political, along with economic dynamics, to the extent that key agrarian, industrial, and urban movements took different forms in different countries.

### *Agrarian Resistance*

The removal of trade barriers and the new export emphasis subjected peasant producers both to new and fierce competition from domestic and foreign agribusiness, and to world market vicissitudes, more than during the import substitution era. And in countries such as Mexico and Chile, where neoliberal governments retracted agrarian reforms that had protected peasant land rights, small-scale producers became especially vulnerable to market forces. Large farmers, with access to more capital and technology as well as land, and to better marketing networks, were best placed to compete in the new economic order.

The Zapatista movement in Chiapas, Mexico’s poorest region, was most explicitly framed in terms of neoliberalism. The Zapatistas timed their appearance in the public arena with the inauguration of the North American Free Trade Agreement (NAFTA) on the first of January in 1994. They challenged the neoliberal economic model as no other group previously had, and in so doing they inspired a range of subsequent social movements elsewhere in the country, as well as abroad.

NAFTA formalized free trade, a key feature, as noted, of neoliberalism. While the accord was not the cause per se of the Zapatista movement, it provided a frame for channeling grievances, including about conditions antedating and unrelated to neoliberalism. And in strategically timing their emergence from the jungle, where they had trained, with the initiation of the historical accord, the Zapatistas could immediately bring their cause to the attention of the world. The international media was in Mexico, as they anticipated, to cover the event.

From the onset Zapatistas combined a variety of strategies and a variety of demands. They combined guerrilla with populist and electoral tactics, indigenous rights claims with neoliberal-linked grievances, economic with political and cultural demands, pressure for national with pressure for local change, and historical symbolism, including the very naming of the movement, with state-of-the-art cyberspace strategies (e.g. they made use of the Internet to publicize and coordinate their campaigns). While never pressing for revolution, they took their name from the peasant hero of the country’s early twentieth century social transformation, and wore masks resembling those used by the earlier Zapatistas. Meanwhile, human rights groups and other NGOs, and a Center-Left political

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<sup>7</sup> Currency reforms are not distinctive to neoliberalism but they took on special significance with the economic restructuring.

party formed in the 1980s, the PRD, the Revolutionary Democratic Party, helped champion their cause.

To the extent that Zapatistas constructed their movement around the new economic order they attacked not merely free trade. Along with calling for the repeal of NAFTA, they demanded protection of communal lands threatened by President Salinas' market-oriented agrarian reform, and the restoration of farm price subsidies that Salinas had retracted.

From a neoliberal vantage point, the Zapatista movement reflects an effort to contain market permeation. Zapatistas pressed for respect for cultural and political autonomy, and for community and collective, not merely individual rights. Meanwhile, the movement stirred other indigenous communities to press for their own collective rights. While the Zapatistas did not put a stop to neoliberal restructuring, nationally or locally, the government, in its effort to contain the movement, initiated "carrot" along with selective "stick" type measures. Authorities pumped record funds into the area, for infrastructure and other projects. And they tolerated "space" for semi-subsistence cultivation. When faced with unrest, officials prioritized political order over market deepening.

The government learned from past mistakes not to rely on mass repression. The beginning of the erosion of the PRI's (the Party of the Institutionalized Revolution) decades-long legitimacy dates to brutal shootings of student protests. New involvements of internationally linked NGO human rights groups, moreover, compelled the government to be more accountable for its actions than in years past. The changed global and national context, in essence, influenced the evolution of an indigenous movement framed around neoliberal-linked grievances.

Similarly, in Ecuador neoliberal trade-linked reforms, against a backdrop of a slimmed down state, fueled an indigenous movement. In response to liberalization of foreign investment regulations designed to encourage hard currency generating exports, Amazonian Indians there pressed for territorial autonomy and for a say in the terms of oil exploration in their region. But the indigenous movement came to include Indians in the more populated highlands as well, Indians less directly affected by trade liberalization than by other neoliberal reforms.

As in Chiapas, in Ecuador the indigenous movement combined market linked grievances with collectivistic and anti-modern claims, and restorative pressures with demands for new rights. They sought a redefinition of citizenship that recognized indigenous rights to cultural distinctiveness, including to bilingual education and the legalization of Indian medicine (Zamosc 1994). Indigenous leadership crafted the movement to generate a new social formation, one that transcended individual ethnic/village identities, and one that was not class based (though partially rooted in economic grievances). As the movement gained momentum the *indigenistas* allied with organized urban groups, especially labor, and they combined economic and cultural with broader political demands. By the turn of the century the previously marginal and



powerless indigenous population became an important political force at the national and not merely local level. They did not formally take over the reigns of government but they contributed to the erosion of oligarchy influence, as detailed more below.

Trends in the three other Latin American countries with substantial Indian populations, Guatemala, Bolivia, and Peru, reveal that trade liberalism is not the only basis of new indigenous mobilization.<sup>8</sup> In Guatemala, neoliberal pressures and the human rights language that accompanied transitions to democracy left many Mayans there aware of growing economic disparities and their exclusion from new institutional arrangements. Building on frustrations rooted in the civil war of the 1980s, a multi-class pan-Mayan rural-urban movement arose. New Mayan organizations criticized the Western development model and its assimilation emphasis and, as in Ecuador, promoted a new social formation that transcended local ethnic differences (Warren 1998). Yet, the movement to date is not framed around a neoliberal critique, much less a neoliberal critique rooted in trade and investment liberalization.

In contrast, in Bolivia the neoliberal biased government sought to coopt indigenist activism that dated back to the 1970s. President Gonzalo Sanchez de Losado, a pre-Revolutionary latifundista, in his 1993 to 1997 term, astutely selected an indigenous vice president, introduced bilingual education, and paved the way for the incorporation of Indian customary law into the country's legal system. The official inclusionary approach was designed to preempt ethnicity from becoming a basis for resistance to market reforms, although with the state weak, poverty widespread, and society highly politicized along ethnic as well as class lines, his efforts failed. Sanchez & Lozada was driven from office when reelected president in 2002.

Peru is the one country with a sizable Indian population that experienced no indigenous movement of significance, around neoliberalism or other issues. There, in response to a partially Maoist inspired guerrilla movement, Sendero Luminoso, the government promoted anti-Sendero community groups (*rondas*) and the militarization of the countryside; these initiatives served to divide the countryside in a manner that submerged ethnic identities and ethnically grounded resistance, even when neoliberal reforms exacerbated poverty (McClintock 1997).<sup>9</sup>

In Brazil, where the agrarian social structure was not grounded in comparable Indian roots, the deepening of neoliberalism in the countryside fueled support for a non-indigenous farm movement. In the 1990s export-oriented commercial farmers there aggressively expanded their holdings and capitalization of their operations, in a country which already before had one of the world's most unequal distributions of land. As a

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<sup>8</sup> For a comparative analysis of indigenous movements in the 1990s, see Yashar (1999).

<sup>9</sup> Isolation from the international banking community and Washington after President Alan Garcia in the mid-1980s tried to limit foreign debt payments and neoliberal restructuring exacerbated the country's economic crisis which, in turn, fueled sympathy for Sendero. Between the mid-1980s and mid-1990s, when Garcia's successors conceded to neoliberalism, conditions went from bad to worse. The proportion of the population living in poverty rose from 38 percent in 1985 to 50 percent a decade later (McClintock 1997).

result, the number of small farms dropped from over 3 million to under 1 million in a ten year period (Langevin and Rosset 1997: 2).

Against the backdrop of small farmer marginalization and growing landlessness a Landless Workers Movement (MST) swelled. The MST appealed to rural laborers' desire both for land and social welfare. Between the mid-1980s, when it was first formed, and the mid-1990s the MST successfully helped negotiate land claims for 146,000 families involving nearly 5 million hectares. For the first time landless peasants pressed not merely for land but for other entitlements. Emphasizing community building within and solidarity among encampments, the MST also successfully pressed for health care, education, and agricultural extension services. To advance its cause it organized invasions of idle land, blocked highways, and organized a two-month thousand-kilometer march to the country's capital in 1997.

The most dynamic and influential Brazilian social movement of the 1990s, it built on earlier pro-democracy movements and on the work of trade unions and church groups, which at the turn of the millennium coordinated broad-based nationwide anti-neoliberal protests. The MST also benefited from a government—under Fernando Henrique Cardoso—publicly committed to reform and not repression. But the movement experienced losses as well as gains. Some 1,000 activists and landless MST sympathizers reportedly were assassinated or injured during the first ten years of the movement's existence. Military police troops that sided with landowners were responsible for most of the fatalities, and they operated in the main with impunity (Hammond 1999; Langevin and Rosset 1997). The government intervened minimally in direct landowner/labor conflicts, which on balance worked to large farmers' advantage.

In the Brazilian Amazon indigenous movements simultaneously gained footing, but of a different sort than the main movements in Mexico, Ecuador, and Guatemala. Accounting for a smaller portion of the national population and reflecting a different ethnic-social organization, Brazilian Amazonian groups focused initially on rights to their traditional means of livelihood. There, large farmers who sought to appropriate their lands for export-oriented production undermined the indigenous peoples traditional sources of subsistence. With their own hired militia they murdered some thousand indigenous people, the famed leader of the rubber tappers, Francisco (Chico) Mendes, among them (see Keck 1995). The assassins here too operated with impunity, reflecting the close ties between large landowners and juridical and other authorities.

To strengthen their cause under the circumstances, Amazonian groups allied with national and international NGOs, and other sympathetic groups. The explosion of social movements in the final years of military rule (which ended in the mid-1980s) included environmental and "new unionism" groups. Brazil came to have the leading environmental movement in Latin America, a movement that included a Green Party and diverse territorially dispersed ecological groups. In this context, and with the help of NGOs, rubber-tappers and other Amazon indigenous peoples brought their concerns to the attention of the world. But the support came with a reframing of their movement, as an effort to save the rain forest.

As exposure to international markets picked up with trade liberalization, peasants turned, where ecological conditions were suitable, to production of the one crop that proved increasingly profitable, owing to growing foreign demand: coca. Here, Latin American governments under U.S. pressure, sought to *restrict* free trade and market driven production, while peasants favored liberalization. Defending their economic interests, peasants protested U.S.-backed government crop eradication efforts and they sided with guerrillas who protected their crops.

Cocaine fueled Latin America's largest and most violent guerrilla movement of the 1990s, in Colombia. By the century's end paramilitary forces and local private armies entered the war previously fought between guerrillas and the military. Under a veneer of democracy the rule of law disintegrated. Colombia came to have one of the highest homicide rates in the world, and the highest rate identified as politically motivated. There were an estimated 35,000 murders between 1988 and 1998, several times more than under any of the notoriously repressive South American military regimes of the 1960s through 1980s. Some 62, 27, and 11 percent of the Colombian deaths in the mid-1990s were attributed, respectively, to paramilitaries, guerrillas, and the military (Chernick 1997; see also Chernick 2003). The struggle also left more than a million Colombians refugees in their own country. As the decades-old FARC, the main guerrilla group, came to control 40 percent of the countryside, the conflict increasingly centered around cocaine, not ideology. While stepping up kidnappings, murders, and extortions, guerrillas defended coca producers, processors, and distributors -in return for a "cocaine tax." Around the turn of the new century guerrillas purportedly collected around \$60 million a month.

The strife was exacerbated by neoliberalism but not primarily grounded in it. Colombia's neoliberal restructuring became tied to the worst economic downturn since the Depression. The new economic model contributed to a contraction of economic opportunities, which made stakes in the drug economy all the greater. Colombia, the world's largest cocaine paste producer, has a comparative advantage in production of the commodity, no other economic activity in the country is as lucrative. At the same time, the strife built on a culture of violence dating back at least until the 1930s. The economic crisis then fueled a civil war, known as La Violencia. While not the principal cause of the turn-of-the century break-down of law and order, violence is part of the Colombian repertoire of resistance.

Washington, anxious to stop the drug problem "at its source", became part of the problem in the very process of attempting to be its solution. U.S. intervention had the effect of exacerbating violence and the breakdown of the rule of law. Not only did military aid contribute to military (and paramilitary) brutality, but U.S. backed coca crop eradication projects angered coca farmers to the point that they mobilized in protest and increasingly sided with the guerrillas. With their means of livelihood threatened, hundreds of thousands of coca-growing campesinos, for example, staged a protest march in 1996. Threatened with massive unrest, the Colombian government cut back the eradication program. Forced to choose between terminating coca production and threats

to its claims to rule, it opted for its immediate institutional political interests. More significantly, state authority withered as the illegal drug economy became entrenched.

Without ties to a guerrilla movement, world demand for coca stirred tumult in Bolivia as well, when authorities sought to stand in the way. Under U.S. pressure and with U.S. assistance the government there too sought to eradicate coca grown for export. And there too coca growers did not acquiesce. In the Chapare, where one-quarter of the world's cocaine supply originates, crop eradication projects stirred coca growers to organize, to blockade crucial roads, and to fight security forces. Only when fear of losing U.S. certification and U.S. aid induced President Hugo Banzer to move massive military forces into the region and to pay peasants thousands of dollars to destroy their bushes did peasants cut back their yields. U.S.-funded anti-narcotics forces wiped out about two-thirds of the nation's illegal coca fields in the latter 1990s. However, with coca generating up to four times as much income as other crops, production immediately moved elsewhere in the country where not policed (and to Colombia). And it quickly was replanted in the Chapare. In essence, peasants covertly as well as overtly resisted state (and U.S.) intrusion into their export-based market driven production.

Meanwhile, the U.S.-Bolivian government efforts to deprive peasants of their most lucrative means of livelihood stirred a backlash that has haunted authorities ever since. Coca-growers, *cocaleros*, have strengthened their resolve, unified their syndicates, and formed self-defense committees. So influential did the coca-growers, *cocaleros*, become that Evo Morales, their Aymaran leader, finished second in the 2002 presidential election. Morales both advocated an end to American-backed eradication of Bolivia's coca crop and he critiqued the country's free market reforms. As of 2002 he led a congressional delegation with twenty-two Indians among its thirty-five members. Together with members of the middle class they drove Sanchez de Lozada from office in 2003. The middle class was miffed about proposed tax hikes and pay-withholdings the IMF pressed the government to introduce to reduce its fiscal deficit. While cross-class anger channeled through scores of organizations fueled the work stoppages and strikes, street demonstrations, and road blocks that drove Sanchez de Lozada from office, the immediate issue that ignited the mobilizations was neither coca-growing rights nor taxes but a plan to allow foreign companies to export Bolivian natural gas via a Chilean pipeline. Violent repression of protesters proved the president's undoing. With natural gas one of the country's few currently profitable sources of wealth, the export of gas became a symbol of all that was wrong with the neoliberal model. Sanchez de Lozada's earlier outreach to indigenous peoples failed to keep his popularity from slipping.

### ***Urban and Industrial Based Movements***

While export promotion and trade liberalization mainly stirred collective resistance in the countryside, they stirred some urban movements and some movements that straddled the rural-urban divide as well. In particular, neoliberal-linked currency devaluations designed in part to strengthen export competitiveness hurt those who relied on bank loans to finance their economic activity. Devaluations drove up the cost of servicing hard currency loans and business-related import costs. While devaluations are

not unique to neoliberalism, their effect was felt more deeply in an open market economy. Global competition in the expanding export-oriented industrial sector, in turn, contributed to a so-called race to the bottom. Despite little bargaining power, labor by the turn of the century showed beginnings of efforts to organize for improved conditions, though at the risk of inducing manufactures to move to other countries in the world, to China above all, where labor was yet cheaper.

For the first time in the 1990s debtors banded together to protest conditions that had caused their debts to spiral. One of the most interesting of such movements was El Barzon in Mexico. Beginning in 1993 with a few thousand farmers angered about state termination of production and consumption supports, the movement spread to urban settings and came to include tens of thousands of under and unemployed, middle and working class housewives, retailers, tax drivers, and businessmen. What unified El Barzon supporters was a tripling of bank interest rates, combined with a precipitous plunge in living standards, after the 1994 devaluation.

The debtors' alliance combined new strategies of defiance and new post-modernesque cultural expressions with old. Supporters staged raucous street theater and parades, and sometimes featured effigies of corrupt judges. They demonstrated in public places, including with their machinery, their means of production. And in August of 1996 they all but halted trading on the Mexican stock exchange. Concomitantly, they collectively organized defenses against moneylenders and police who confiscated their properties when forced to default on loans. Barzonistas sometimes successfully reclaimed their tractors, cars, and farms, and convinced bank officials both to restructure outstanding loans and extend new credit lines. They also convinced the government to initiate debt-relief programs. The multi-class base of the movement, combined with multiple strategies of resistance, induced banks and authorities to be responsive. And in selectively responding to El Barzon demands, the government defused movement support.

Possibly inspired by El Barzon, a debtors' movement also arose in Brazil. There too the movement was a response to macro economic policies that had caused interest rates to soar and the value of the national currency to plunge. Formed in 1997, the debtors-rights movement claimed 10,000 members in two dozen Brazilian cities by early 1999 (*Wall Street Journal* 6 January 1999:1). The Brazilians deployed a different strategy than their Mexican counterparts, though. Brazilian debtors deliberately clogged courts with lawsuits to gain leverage. Since legal cases can drag on for years, creditors would settle for debt rescheduling or partial debt forgiveness.

Global competition in the growing export oriented *maquila* industries in Latin America made unionization and protest difficult, even when that competition, plus preoccupation with profits, drove employers to worsen work conditions. With an unlimited supply of potential unskilled workers, and the threat of companies closing shop and moving elsewhere, where labor was cheaper, *maquila* protests were the exception rather than the rule. Interested in attracting the foreign exchange generating business, authorities tried to block unionization in the sector. Not surprisingly, under the circumstances nascent strike activity concentrated in the more skilled sector. Skilled

labor, in scarce supply, had bargaining power that unskilled labor lacked. By the turn of the century the main *maquila* factory to experience protest was the Han Young plant in Tijuana, which produces car chassises for the Korean Hyundai Corporation. There, workers had tried to form a union independent of government control beginning in 1997. But management, in its effort to quell the labor strife, had the backing of the state government and local police.<sup>10</sup>

### ***Privatizations and Public Sector Retrenchment***

Under import substitution the public sector grew in economic importance, including through the proliferation of state-owned enterprises. And the public sector became the strongest unionized sector. Nonetheless, unions were not sufficiently forceful to shield members from some of the most far-reaching privatization programs in the world, which eroded employee economic and social rights, including rights to work, to a minimum wage, to health and other benefits, and to unionize. Even though democratization in principle restored labor rights the military governments had retracted, the neoliberal-committed regimes in practice contained those rights.

The neoliberal attack on the public sector was two-fold. First, governments sought to bring public sector unions to their heels, to make the state-owned enterprises more attractive to potential private investors. This was true, for example, in El Salvador and Nicaragua. Second, governments slashed employment and wages in the remaining public sector, to reduce fiscal expenditures and increase efficiency.

But governments encountered resistance. While globalization weakened labor's bargaining power with capital, as detailed below, governments were less immune to protest. For one, in providing services that businesses did not government activity was somewhat shielded from global market competition; this gave labor certain leverage. Two, states by their very nature are politically vulnerable, especially under democracies when dependent on electoral backing. This vulnerability works to public sector employees advantage as well. Three, public sector downsizing hurt many workers simultaneously. Aggrieved workers accordingly realized that their personal deprivations were collectively shared. For this combination of reasons virtually all countries experienced public sector strikes with the deepening of neoliberalism in the 1990s, and more than in years past.

With redemocratization strike activity initially picked up, in the private as well as state sector. The strikes were politically more than economically explained. They reflected the lifting of repression, and labor efforts to press for pent-up demands. However, soon thereafter protests in the private sector tapered off, even as work conditions deteriorated.

Table 3 summarizes data on Latin American strike activity in the 1990s, the period of both

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<sup>10</sup> For reports of labor strife in the *maquila* sector see International Confederation of Free Trade Unions, "ICFTU OnLine" (<http://www.icftu.org>).

TABLE 3  
COUNTRY SHIFTS IN STRIKE ACTIVITY, LATIN AMERICA 1990-1995  
(in countries with available information)

	Increase	Decrease
Number of Strikes		
	Bolivia	Brazil
	Chile	Colombia
	El Salvador	Costa Rica
	Panama	Ecuador
		Guatemala
		Honduras
		Mexico
		Nicaragua
		Peru
Number of Strikers		
	Costa Rica	Brazil
	El Salvador	Colombia
	Panama	Chile
		Ecuador
		Mexico
		Nicaragua
		Peru
Workdays Not Worked		
	Costa Rica	Brazil
	Chile	Ecuador
	El Salvador	Mexico
	Panama	Nicaragua
		Peru

Source: Industrial Labor Organization (ILO), *Yearbook of Labour Statistics (1990): 1004-06 and (1998): 1204-1211, 1229-1236, 1255-1261.*

neoliberal and democratic consolidation. According to available information, more countries experienced decreases than increases on the three standard indicators of workplace disruptions: number of strikes, number of workers involved, and workdays not worked. And strike activity declined even though industrial wages in the region, on average, declined in the latter 1980s, and did not surpass the level of the mid-1980s until 1996, and it declined even though the minimum wage dropped markedly after 1985 without subsequently rebounding (see Table 4). Not merely global competition but anti-labor government pressures made work-based disruptions and general strikes difficult to organize and personally risky.

TABLE 4  
EMPLOYMENT AND SALARIES IN LATIN AMERICA, 1985-1996

	1985	1990	1995	1996	1997
unemployment rate		8.3	5.7	7.2	7.7
1					
informal sector		47.0	51.6	56.1	57.4
2					n.d.
industrial salaries		89.9	84.7	98.8	102.2
					102.6

2					
minimum wage	83.5	68.5	70.8	69.9	73.7

1  
non-agricultural employment  
2  
1980=100

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Source: Victor Tokman, "Generacion de empleo y reformas laborales," *Anuario Social y Politico de America Latina y El Caribe* (1997): 152.

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The tempering of strike activity in Latin America takes on added significance when compared to the U.S. During the same time period in the U.S. labor became a shadow of its former self. Only the number of strikers increased (see Table 5). Thus, globalization of production with the deepening of neoliberalism weakened labor's power in the stronger as well as weaker economies of the hemisphere.

The weakening of labor power notwithstanding, workers, on occasion, resisted public sector downsizing. Such was the case of state employed miners in Bolivia. Having won political and economic rights through their participation in the nationalist-populist revolution of 1952, they suffered the ultimate coup de grace in the mid-1980s. The government of Paz Estenssoro, the leader of the revolution, by then had returned to power as a born-again neoliberal. His new government, with U.S. and IMF backing, shut the tin mines that he had nationalized during his first term of rule. Labor had for a period of time even enjoyed the right to co-manage the mines, in return for their support in the anti-Oligarchy insurrection.

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TABLE 5

CHANGES IN UNITED STATES STRIKE ACTIVITY AND CONSUMER PRICES, 1990-97

Strike Activity 1990-1995

Number strikes	decreased
Number strikers	increased
Number workdays not worked	decreased

Consumer Price Increases, 1990 = 100\*

Food

1990-1995	112.7
1990-1997	119.4



Fuel

1990-1995	106.7
1990-1996	112.8

\*the only Latin American country to have lower food and fuel price increases during this period was Panama

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Sources: see Tables 3 and 6

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Whatever the economic logic to the mine closings, workers did not passively acquiesce to the elimination of their means of livelihood. Miners—who live in relative geographic isolation, are fairly economically homogeneous, and experience difficult work conditions—have been militant worldwide. In Bolivia they were no exception, in the latter 1980s, as earlier. They organized a hunger strike and a march from the mines through the countryside to the nation’s capital, La Paz. They were joined by some 10,000 peasants, teachers, shopowners, students, and religious leaders who depended on the mining communities for work, who sympathized with the miners, and who opposed, for their own reasons, other neoliberal economic reforms (e.g. IMF proposed new taxes). Such trans-regional, public-private sector, multi-class mobilizations are new to the Latin American social movement repertoire. They reflect not merely alliances built on shared and complementary grievances but also networks have expanded with migration, ties to new grass-roots active church, union, and other NGO groups, and new media strategies made possible owing to reduced censorship with democratization.

The protests, however, proved to no avail. Fiscally strapped and dependent on international financial support, the government deferred to foreign financiers and their demand to close the mines that had long been globally uncompetitive. The isolation of the mines removed the government somewhat from political pressures it would have experienced with comparable firings in the city. In the process, miners lost their jobs, and more. Their communities were destroyed, and their families were dislocated and often torn apart. With alternative employment options in their communities close to nonexistent, many dismissed miners migrated. Ex-miners did best economically by going to the Chapare and joining the previously noted booming coca economy there.<sup>11</sup>

The weak Bolivian government had difficulty containing protest. Yet, victims of state sector downsizing protested under stronger states as well. The combination of economic restructuring, redemocratization, and fiscal downsizing, for example, also stirred strike activity in Argentina. However, it shifted the loci of such activity from the private to the public and mixed-ownership sectors, from the working to the middle class, and from

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<sup>11</sup> Communications with June Nash, elaborated in the Epilogue of Eckstein (2001).

Buenos Aires, the nation's capital and historical epicenter of labor militancy, to the provinces. Public sector wage cutbacks, and, particularly, withholding of wage payments, under both the Peronista President Carlos Saul Menem and his Radical Party predecessor, President Raul Alfonsin (1983-1989), fueled protests (McGuire 1996). The two governments prioritized their own institutional concern with fiscal deficit reduction over workers' rights to a livelihood, including rights to payment for services rendered. Automobiles were set aflame and buildings were sacked. And Menem's successor, Fernando de la Rúa, initiated a federal takeover of the bankrupt provincial government of Corrientes immediately upon taking office, to end months of protests there by unpaid state employees who blocked vital foreign trade routes. Provincial governments, such as in Corrientes, found themselves without adequate fiscal resources owing to neoliberal-linked administrative decentralization.

Strikes in Argentina, however, reveal no mechanistic relationship between economic deprivation and protest. The number of strikes, strikers, and days lost to strikes were lower under Menem, especially in the first half of the 1990s, than under Alfonsin during the preceding decade, even though Menem's aggressive restructuring involved greater layoffs and deprivations. In Argentina, as elsewhere, democratization initially breathed new life into previously repressed labor. This explains why strike activity picked up under Alfonsin, the first democratically elected president in over a decade. Contributing to the tapering off of strikes for a time under Menem was a politically popular taming of inflation.

But work-centered discontent ultimately spilled into the streets. Wage and pension cutbacks, and withholding of paychecks, stirred multi-class countrywide protests that brought down a succession of governments. A newly impoverished middle class joined angry workers and unemployed who blamed the government, foreign banks, and employers, for the country's severe economic downturn. Crime and street violence soared. Stores were looted. Economic anxiety caused an upsurge in suicides. And those able to do so sought economic refuge abroad.

In Brazil, strike activity also was a political and not merely economic matter. There too the number of strikes and strikers, and duration of strikes, rose substantially immediately following the restoration of democratic rule. Strike activity picked up even as labor conditions improved. It picked up because the risks of rebellion subsided with the political transition (Noronha, Gebria and Elias 1998), and because the first restored democratic governments were politically weak, owing to difficulties consolidating power. But a growing new union movement, and support from church groups, concomitantly fueled worker rights movements.

Yet, in Brazil, as in Argentina, labor strife for a while tapered off with the routinization of democratic rule and with politically popular lower inflation. The number of yearly strikes dropped from a peak of over 2,000 to under 1,000 in the course of the 1990s, even though conditions for workers deteriorated in the interim. The remains of strike activity there too centered almost entirely on the slimmed down public sector. And

as in Argentina, workers became especially indignant when administrative decentralization led local governments to withhold paychecks.

At the same time that labor lost bargaining power in Brazil at the workplace it gained power at the national level. Well organized and under the savvy leadership of Luis Inacio Lula da Silva, popularly known as Lula, the Workers Party won the presidency in the 2002 election. Lula's victory became a symbol of, and inspiration for, populist alternatives to neoliberalism in the region, although more in the domestic than externally oriented sector.

The experiences of Chile and Mexico illustrate how politics may temper labor resistance in other ways as well, and how important the timing of reforms may be. Chile, the first country both to downsize massively its state sector and to eliminate barriers to trade, did so under the repressive military government of Pinochet. As unpopular as the measures were, in that they caused living standards to plunge and many workers to lose their jobs, protests were few and only minimally coordinated (see Garretton 1989). The risks were too great. By the time Chile returned to civilian rule the economy was on an upswing, employment opportunities had expanded, and many workers experienced improvements in their earnings even as income inequality increased. A tamed down, reinvented socialist party, with labor backing, there too won the presidency, as part of a Center-Left political pact. And in Mexico, in turn, state-crafted business-labor pacts contained worker opposition to reforms that caused real wages to fall and income inequality to increase (Ros and Lustig 2003). In agreeing to the pacts the main labor confederation lent formal support to worker unfriendly stabilization measures. Although labor never gained the upper hand in the pacts, PRI's longstanding hegemonic hold weakened. The Left-leaning PRD won elections with labor support, at the municipal and congressional levels. in the south and central regions of the country.

While pacts in Mexico tamed protests in the private sector, two deep recessions, in the 1980s and a decade later, stirred unrest in the public sector. A gradual erosion of government legitimacy, owing to the surfacing of major political scandals as well as the economic crises, led aggrieved workers to be less submissive than in the past. In the new milieu public sector nurses, for example, upset with shortages of medicines for state supported hospitals, in 1997 drew blood from their arms with syringes and squirted it at the front doors of the hospital administration (*New York Times* 21 January 1997: 10). At issue were neoliberal cutbacks in social spending that undermined state worker fulfillment of professional duties. Low-skilled public sector employees in the provinces also protested abuses. Illustrative, the same year streetsweepers in the state capital of Tabasco demanded compensation for extra private services politicians demanded of them, as well as job reinstatements when austerity policies cost them their jobs. They staged a hunger strike, stampeded into congress where they peeled off their clothes, and marched together to Mexico City (*New York Times* 21 January 1997: 10). Not only were protests grounded in such abuses an anathema in the past, but public sector workers, now with access to the media, turned to new creative post-modernesque ways to express their rage.

A comparative study of a few Latin American countries suggests that labor strife varies with political party and union institutional dynamics, somewhat independently of macro political and economic conditions. Labor militancy was found to vary sectorally within and among the countries, with union and party competition. Labor militancy was greatest when political parties competed for the labor vote while union competition was minimal (Murillo 1998).

Venezuela, under Hugo Chavez, around the turn of the century was the one country where a democratically elected government tried to privilege the poor at middle and upper class expense, while centralizing political power. Disaffected military, businessmen, shopowners, and privileged oil workers, stopped production, closed their businesses, and took to the streets in protest, to destabilize the economy. They also unsuccessfully backed a coup d'etat, and then tried to bring the government to heel through democratic venues. As of the time of writing, in early 2004, the strife left the government barely able to rule and barely able to address the yearnings of the poor in whose name Chavez staked his legitimacy. The failure of Chavez's "Bolivar Revolution" highlights difficulties governments face when attempting to challenge dominant class interests and the dominant economic model. Not even the poor materially gained.

Throughout the region, civil society responses to both public and private formal sector downsizing must be understood, in turn, in the context of opportunities to exit to other jobs, in addition to opportunities to migrate and immigrate. While formal sector job options declined, displaced workers and persons whose wages and salaries failed to keep pace with living costs increasingly turned to self-employment and other minimally regulated jobs with minimal entry requisites (in terms of skills, financing, etc.) on a full or part-time basis. This refuge defused collective work-based grievances. People's reactions to conditions must be understood in the context of the total labor market in which the formal sector downsizing is embedded.

Comparative and historical data highlight the significance of labor force informalization. Informal sector work had been central to Latin American subsistence even during import substitution when industrialization and state provisioning of goods and services expanded work possibilities. Yet, between 1950 and 1980 the portion of the Latin American labor force informally employed dropped from 47 to 42 percent. During a roughly comparable period of U.S. economic development the portion so employed also dropped, but more: from 51 to 31 percent (see sources cited in Castells and Portes 1989: 19). In contrast, with the deepening of neoliberalism Latin Americans became *more* dependent on work providing no income and social guarantees (see Table 4). By the latter 1990s more Latin Americans depended on informal than on formal sector work.

Latin American governments sought to regulate the expanding informal sector, their commitment to privileging market forces notwithstanding. They, for example, officially limited street vending, to appease shopowners and established market stallholders, as well as to maintain order and appeal to tourists. Citydwellers, however, resisted government obstacles. They aggressively fought, for example, for street vending and other informal sector rights. This was especially true in Mexico and Peru, countries

with large impoverished populations. Would-be vendors borrowed squatter settlement tactics to establish private claims to public vending space. They collectively “invaded” sidewalks, streets, and other public places and then pressured authorities to honor their locational claims (see Eckstein 1988). Cognizant that vending was labor-absorbing and that widespread unemployment was politically explosive, officials often acquiesced to the pressure. Authorities were most apt to be accommodating when *ambulantes*, as such vendors are called, had the support of influential politicians and when they deftly manipulated the political system (Cross 1998).

### *Price Liberalizations and Movements to Minimize Costs of Consumption*

As workers found it increasingly difficult to press for better earnings, work-based benefits, and job security, some turned to collective strategies to minimize their costs. Neoliberal government measures to reduce import substitution initiated consumer subsidies became especially contentious, for they drove living costs up while earnings stagnated or declined. Governments raised consumer prices as part of their IMF-induced fiscal efforts to reduce expenses and improve revenue.

Most Latin American countries experienced what have been dubbed “IMF protests” since the mid-1980s, that is, consumer protests against austerity measures that increased the cost of subsistence. According to Walton’s (1998) comparative research, no other region experienced as many. And in Latin America such protests were more gendered, that is, more female-based, as well as more secular in orientation, especially in comparison to North Africa and the Middle East. The greater involvement of women in Latin America reflects their greater absorption into the paid labor force and greater involvement in the public sphere, and the region’s higher rate of urbanization. Most consumer protests are urban-based. The greater involvement of women is also traceable to the grass-roots work of the Catholic Church, through Base Communities, and other NGOS, which had taught them collective strategies to address subsistence concerns in the early years of the debt crisis.

Table 6 gives a sense of why consumer revolts, and not only among women, increased with the deepening of neoliberalism. Using 1990 as a price index base (of 100), within five years food prices at

TABLE 6

CONSUMER PRICE INCREASES (FOOD AND FUEL/ELECTRICITY), 1990-97  
(1990=100)

	FOOD		FUEL/ELECTRICITY**	
	1995	1997	1995	1997
200 or less				
Bolivia	Costa Rica		Argentina	Argentina
Costa Rica	Panama		Bolivia	Bolivia
Chile	Costa Rica		Costa Rica	
Dominican Republic			El Salvador	El Salvador
Nicaragua			Mexico	Panama

Panama		Panama	
201-500			
Argentina	Argentina	Ecuador	Ecuador
Colombia	Bolivia	Honduras	Honduras
Ecuador	Colombia		
El Salvador	Chile		
Guatemala	Dominican Republic		
Haiti	El Salvador		
Honduras	Guatemala		
Mexico	Honduras		
Paraguay	Mexico		
	Paraguay		
501+			
Brazil	Brazil	Uruguay	Uruguay
Peru	Ecuador	Venezuela	Venezuela
Uruguay	Peru		
Venezuela	Uruguay		
	Venezuela		

\*No information for Haiti and Nicaragua for 1997. No information for Cuba for any year.

\*\*Information for selective countries only.

source: ILO, *Yearbook of Labour Statistics* (1998): 1036-37, 1044-45.

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least doubled in thirteen of the nineteen principal countries in the region, and within seven years prices had at least doubled in all but two countries. Furthermore, in four of the ten countries for which information is available, fuel and electricity prices rose a comparable amount. In contrast, during this period food and fuel prices barely rose in the U.S. (see Table 5). Data in Tables 4 and 6 show little correlation between consumer price increases and strike activity: a correlation between the two would suggest work-based efforts to press for better wages to offset cost of living increases. Three of the four countries where the number of strikes picked up between 1990-1995 experienced the lowest consumer price rises. In essence, while workers in the U.S. barely faced inflationary pressures as wage contestations declined, in Latin America workers' earning power dropped while their living costs rose. Latin American workers were without recourse to their one former political weapon, the power to disrupt production, to press their interests.

Although poor people were most hurt by the consumer subsidy cutbacks, government-initiated price increases also brought labor and the middle classes, indigenous groups, and students, to the streets. Consumer subsidy cutbacks stirred different combinations of demonstrations, riots, strikes, looting, and attacks on government buildings in different countries in the region, with different repertoires of resistance, different macro political-economic conditions, different state/societal relations, and different group alliances. They evoked street demonstrations in Chile, and strikes and roadblocks in Andean nations, for example. The seemingly spontaneous eruptions typically involved some degree of organization and occurred especially where backed by unions. In Brazil they were coordinated by the Catholic Church as well. There, in 1999 the national bishops' organization sponsored, in coordination with unions and

parties of the Left, as well as the MST, demonstrations in opposition to neoliberal policies. They called their movement “The Cry of the Excluded Ones”.

To assess the importance of consumer revolts, in comparison to other forms of collective resistance, I coded incidences of protest recorded in one year, 1995, in the *Latin American Weekly Report*. This data source included only the most important incidences (and underreported on-going unrest), and should be viewed only as a rough approximation of tumult at the time. Qualifications aside, it is noteworthy that consumer protests were reported more frequently than other bases of protest.

Rarely did austerity policies in themselves stir unrest. Consumer protests tended to occur where political divisiveness and power struggles prepared the ground and where governments were weak and unpopular, as well as where organizationally coordinated. The impact of consumer revolts also has varied. Insurgents typically succeeded in getting governments, anxious to reestablish order and their own claims to rule, to retract price hikes. But in Brazil the Cardoso government also responded to the stepped up nationwide protests with an ambitious spending program. Fiscally strapped Ecuadorian governments, by contrast, collapsed under the weight of resistance to official consumer price increases. There, trade unions, along with the newly politicized previously described indigenous groups, protested price increases that drove presidents from power, in 1997 and again in 2000. While Ecuador did not experience the highest food and oil price increases in the region, protester roadblocks brought the economy to a standstill, leaving governments between a rock and a hard place. In attempting to appease the populace by allocating resources domestically, authorities defaulted on foreign loans and in desperation turned to hyper-inflationary policies that made them yet more unpopular. Resistance to oil price hikes, in particular, set the stage for the deposing of the two elected presidents.

After exerting influence through tumult, angry indigenous peoples pursued formal political channels as well. By 2002 Indians from the Pachakutik political movement and their allies held over a tenth of all congressional seats and city halls, and they helped elect the former army colonel, Lucio Gutierrez, president. As a candidate, dark-skinned Gutierrez railed against market reforms, promised to increase social spending, and questioned continued use of the dollar as the national currency, to curry the indigenous vote. The indigenous movement demanded a moratorium on both foreign debt payments and privatizations.

Aware of the politicizing effects austerity measures have, some governments targeted anti-poverty funds selectively, to defuse resistance to cost of living increases. President Salinas, through his famed Solidarity Program, for example, masterfully channeled social expenditures to Mexican communities he considered politically problematic, in a manner that made beneficiaries directly dependent on the central government. The Fujimori government in Peru did similarly, and in so doing weakened grass-roots community organizations that mushroomed in resistance to government initiated price hikes in the 1980s. His autocratic interventions, which, as noted, concomitantly reined in the guerrilla group, Shining Path, managed to contain consumer

revolts even as the country experienced one of the highest increases in the cost of living in the region in the 1990s.

Fujimori managed to stave off cost of living protests. However, against the disconcerting economic backdrop, he was unable to hold on to power. The exposure of high level corruption in his administration, plus vote-rigging, were the immediate causes of the movement that drove him from office. His successor, Alejandro Toledo, dark-skinned and born poor, won office in 2001 with 60 percent of the popular vote. Yet his failure to keep his campaign promise to create jobs and alleviate poverty turned the populace against him in turn. With living costs remaining high, workers, farmers, construction workers, and teachers in cities and towns across the country took to the streets to demand better pay and work conditions. Protests in Lima, the capital, became nearly daily occurrences. And in the country's second largest city a regional strike froze nearly all public transportation and shut down schools and universities. Anger over privatizations, particularly of electricity, further fueled protest. Peruvians saw Toledo's market friendly policies as a source, not solution, to their economic plight. And as the government showed itself unable to rule, unrest, for a range of reasons, picked up.

Students in the region, meanwhile, stepped up protest not merely against the cost of subsistence but also against the cost of studies, sometimes in collaboration with labor groups. Their mobilizations became less explicitly politically and more economically driven than in years past. In 1997, for example, Venezuelan students rioted against cuts in school and transportation subsidies. And in Argentina the same year, tens of thousands of students joined street vendors, plus angry current and dismissed public sector and sugar workers, in blocking roads and government buildings, in hurling stones, and in setting up barricades in cities in nine provinces. Meanwhile, in the Dominican Republic blackouts along with price hikes sparked protests in more than a dozen towns, at the instigation of student groups in collaboration with unions. Protesters burned tires and cars, threw stones and homemade bombs at the police, and staged a general strike. And in Nicaragua students who protested over university funding allied with shantytown dwellers with their own set of grievances.

Mexico experienced some of the most tumultuous student strike activity in Latin America, which contributed to the erosion of state legitimacy along with lengthy paralysis of university education. In 1988 when President Salinas' neoliberal government sought to impose revenue-generating fees and entrance exams, students took to the streets. While university education had been entirely subsidized until then, the government introduced fees at a time when a major peso devaluation, along with austerity measures, had driven living costs dramatically up. In capturing the imagination of the capital, the students won (Castaneda 1993: 204). The government retracted the newly imposed charges. The government wanted no repeat of the student massacre twenty years earlier.

A decade later the government once again tried to introduce university charges. Student opposition resulted in the shutdown of the main university campus for the better part of a year. Strikers insisted that fees be voluntary and that a council of academics,



students, and employees run the university. This time strike organizers refused to back down when the government conceded to retract the charges. But as the paralysis of university education dragged on many students turned on the strike leadership. The movement became internally divided, as well as prey to political party machinations in the newly competitive national party context.

Concerns about the cost of consumption of so-called collective goods, such as squatter housing and urban services, took a somewhat different turn. By the 1990s squatter movements in the major cities of the region seemed to be on the decline. They tapered off partly because government tolerance of them waned. The tolerance had been grounded in macro political-economic conditions that no longer prevailed. During import-substitution governments accommodated to poor people's urban land claims, to keep labor costs down for industry while consolidating a populist base of support. Under the circumstances, political parties in and out of power defended poor people's illegal collective land claims in exchange for votes. Beneficiaries of squatter rights thereby kept their living costs down and acquired property the value of which dramatically rose over the years.

For several reasons neoliberalism ceased to favor such invasions. For one, governments became less populist and more austere in their outlays. Feeling less pressed to respond to housing and other neighborhood demands, they cut back provisioning of urban services. Even in Argentina, where the government initiated *Plan de Arraigo* in 1990 to regularize squatter settlements for the first time, social provisioning received little attention. The program concentrated merely on regularization of property transfers, consistent with neoliberalism, and only on claims on government owned lands (Martinez Nogueira 1995: 61-66). Two, the neoliberal governments were biased toward market, not political, processes. Consistent with their bias, they favored informal commercial dealings over land invasions to address pent up demand for affordable housing (Durand-Lasserve 1998: 236). Real estate developers who previously backed irregular settlements by the 1990s acquired access to more profitable alternatives. Three, neoliberal emphasis on decentralization placed more onus on local governments, which reduced pressures on the central government for urban services.

Venezuela was an exception, an exception tied to a resurgence of populism there. President Hugo Chavez initially sought to consolidate his political base among urban poor by overseeing a boom in land invasions. However, after floods left thousands of residents of hillside squatter settlements in Caracas homeless in December of 1999, he felt compelled to abandon his squatter strategy and instead evacuate and resettle survivors. Costa Rica, on a more reduced scale and for different reasons, may be another exception. A strong squatter movement emerged in San Jose, the capital city there, in response to neoliberal cutbacks in government provisioning of neighborhood services. With the country's long history of social welfare provisioning, Costa Ricans had become accustomed to state supports. The movement may also have been grounded in unrelenting demographic pressures there. The Costa Rican government located new export processing zones on the outskirts of San Jose, not, as in other countries, in provincial areas (see Lungo 1996).

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Conditions in Brazil gave rise to a new type of housing movement. There, a Movement of Roofless People, comprised of very poor people who live in slums or in the streets, organized seizures of unoccupied urban buildings. By the turn of the century they were one of the most forceful movements in urban Brazil, especially in Rio de Janeiro and Sao Paulo but also in other cities, such as Bahia and Rio Grande do Sul. Though protective of their independence, the movement had the support of the increasingly powerful Workers Party, already before it won the presidency in 2002, as well as the support of the Left labor confederation, the CUT, and the progressive wing of the Catholic church. Aside from obtaining housing, in Sao Paulo, where they worked closely with the mayor Luiza Erundina, they succeeded in getting land tenure and housing legislation changed. However, with limited unoccupied buildings to seize, the movement cannot be expected to become a twenty-first century alternative to squatter mobilizations that made claims to vacant land in the past.

Once in power, the Workers Party initiated a program to grant millions of occupants of squatter communities legal title to the land they illegally occupied. Once title-holders, homeowners could, in principle, gain access to credit, mail delivery, and utilities. The program, in essence, was designed to improve poor people's housing security, increase their assets, and broaden rights to so-called collective community benefits, in a manner not inconsistent with neoliberal macro economic policies.

In the neoliberal era not only did most governments privilege market over squatter settlement solutions to housing needs of urban poor. Governments also increasingly privatized the delivery of urban services. Profit-oriented, the new utility owners jacked up prices. Causing living costs to rise yet more, the privatizations proved contentious. In Cochabamba, Bolivia, for example, where the American firm Bechtel bought the public water utility and almost immediately doubled the price of water, residents called a general strike and paralyzed transportation. The protest took a violent turn as authorities sided with the foreign firm. The local government had been pressured to privatize the water utility by the World Bank, which otherwise refused to guarantee a loan.

By the 1990s anger and disillusion contributed, in turn, to stepped up anti-social illegal activity. Leaner and less populist than under import substitution, neoliberal governments experienced breakdowns of law and order--in the context of declining economic opportunities, increased living costs, growing income inequality, and often also increased poverty. Urban crime, including violent crime, became pervasive in the cities. Rates of theft, pilfering, looting, illicit dealings, kidnappings, and homicides rose to unprecedented levels. People broke with the law individually, and collectively through gangs, crime rings, and coordinated corrupt dealings. The region became the most violent in the world. Crime generated more crime as a culture of illegality became entrenched and lawbreaking went unpunished. New drug-linked violence and mounting police corruption, compounded problems. Law enforcement agents in many countries became part of the problem, not its solution. They joined the ranks of the criminals, and operated with impunity.

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The breakdown of safety sparked movements to restore public order, in turn. In Rio de Janeiro, for example, a civic group, Viva Rio, oversaw a massive demonstration in 1995 for a cleanup in the police department and improved urban services. Hundreds of thousands of rich and poor and old and young, cloaked in white, joined the demonstration, React Rio. The demonstration combined elements of a political rally, religious revival, and carnival. Similarly, in Mexico City two years later tens of thousands of frustrated and frightened residents of all social classes, but especially the middle class, paraded, with white ribbons and blue flags, in outrage over a mounting wave of violent crime there. Like the Brazilians, they demanded an end to police corruption and violence as well as an end to common crime. These movements exemplify new ways that civil society has come together under conditions stirred by the new economic (dis)order. Lima even more so became a city under siege, before the Peruvian government reined in Sendero Luminoso. There, the breakdown of the social order was politically induced. Sendero activists staged acts of sabotage against banks, government offices, and basic infrastructure, they set off car bombs, and they committed political assassinations. They deliberately sought to undermine civil society through such destabilizing attacks.

Had city-dwellers not increasingly turned to immigration as urban subsistence became more problematic, Latin American cities would have experienced even greater tumult and disarray. And since émigrés increasingly send remittances to kin they leave behind, transnationalized families are further helping to defuse social and economic pressures in the region. In 2003 Latin Americans received an estimated \$32 billion in remittances, more than the region received in foreign aid. Ordinary people were seeking their own solutions to declining opportunities at home, at the cost of family dislocations.

### ***Conclusion***

Whatever the economic logic to Latin American economic restructuring, the deepening of the reform process carried seeds of obstruction to its unfettered permeation, though not, to date, seeds of its own destruction. State sector downsizing and trade and price liberalizations addressed state fiscal exigencies, but so too did they generate unemployment, new economic vulnerabilities, and cost of living increases for people who could ill-afford them. Accordingly, the removal of market encumbrances generated new grievances, new coping strategies, and new social movements for change in turn, including among new groups and people with newly framed identities. The movements countered the free play of market forces, except when Latin Americans saw market dynamics as personally and collectively advantageous.

Latin American experiences suggest the following empirically grounded propositions.

1. While neoliberal changes may correct macro import-substitution linked problems, many in the lower and working classes, and even salaried and credit-dependent middle classes, have suffered with the restructuring. When they resist aspects of the new model that they find especially egregious they rarely protest neoliberalism in the abstract.

Rather, they rebel against neoliberalism as directly experienced in their everyday lives. They do not necessarily even understand how the new economic model is the source of their discontent.

2. There is no mechanistic relationship between neoliberal based material deprivations and defiance. State structures, resources, policies, and discourse, state/society relations, the vibrancy and politicization of civil society, individual and collective rights, and underlying identities, are mediating factors that influence how victims of reform respond to the macro economic changes. Meanwhile, aggrieved may opt for “exit,” in the form of migration, emigration, or employment-shifting, rather than seek more risky and more coordinated collective redress. The weaker the state, the more politicized the society, the less institutionalized state/society relations are, and the fewer the perceived options to exit, the more probable collective resistance, and the more difficult states are apt to have removing fetters from the previous economic order. Different mixes of these contextually important institutional dynamics help explain why the same reforms have generated movements differently configured (or no movements at all) in different countries and at different points in time.

3. The new economic order has modified the Latin American social movement repertoire. Most significantly, global competition has made strikes a too risky and ineffective weapon for workers to call upon to counter falling wages, even as workers formally regained rights to organize with redemocratization. And the new regime commitment to market solutions eroded the political-economic base of the squatter movements so pervasive under import substitution. Meanwhile, neoliberalism had the unintended effect of directly and indirectly stirring new types of movements, new movement demands, and movements based on new socially constructed identities. Trade liberalization, for example, together with other state policies, marginalized the peasantry to the point that those who did not opt out mobilized in new types of rural movements for land and other claims; price liberalizations prompted consumer revolts; privatizations prompted public sector protests; and devaluations designed to stimulate exports stirred debtors’ movements. Many of these movements were multi-class and multi-group based, owing to shared grievances and organizationally based leadership that coordinated common concerns.

4. As neoliberalism shifted the focus of movements from tensions rooted in class dynamics to tensions rooted in state and market relations, state political vulnerability picked up. Leaner and meaner, the state became less able to assert itself over society than during import substitution. Meanwhile, state-induced deprivations led victims of reforms to direct their grievances more at the government and less at capital than during the preceding economic period.

5. Democratization, which accompanied neoliberalism in Latin America, in principle opened formal channels of demand-making and interest-articulation. However, while partially opening up institutional opportunities for previously excluded groups, democratization, for a combination of reasons, itself had the unintended effect of stirring defiance. It did so by reducing the risks of rebellion, by allowing for new individual and

collective rights, by inadequately containing or countering market-rooted injustices, and by extending formal more than substantive political rights. And whatever the natural affinity between democracy and market capitalism, individually and in combination the two sets of reforms generated new ideas and new tensions, and new extra-institutional movements for change in turn.

6. While premised on a globalized market economy and universalistic modern values, neoliberalism evoked movements with anti-modern and pre-modern claims. Newly experienced and newly perceived injustices led new socially constructed indigenous movements, in particular, to press for rights rooted in community customs antedating modernity, as well as to movements to counter the removal of fetters designed to maximize modern market efficiency.

7. As bases of movements for change broadened, so too did mobilization strategies. Groups turned to new mechanisms of communication, such as the Internet, as well as to the media, once state censorship softened with democratization. Indigenous movements, in particular, made use of cyberspace information-sharing, thereby learning from one another as well as from support groups.

Post-modernesque as movements on occasion appeared, in their symbolism and public displays, and as localized as some movements were, their patterning often reflected trans-local processes.

Cross-class and multi-group movements that benefited from outside moral, material, and human capital support included consumer revolts, movements among landless and indigenous peoples, debtor movements, movements stirred by state sector downsizing, student movements, and anti-crime movements.

The historical institutional approach helps account for generalizable as well as particularistic features of the movements rooted directly and indirectly in neoliberalism. It helps elucidate and explain both localized responses that neoclassical economics and modernization-based societal analyses, analytically and empirically, overlook, and trans-local features that local-centric postmodern analyses neglect and about which they do not theorize. Accordingly, the institutionally based analysis also help explain shifts in the Latin American repertoire of resistance.

A class-based analysis as conventionally conceived, in turn, misses much of the resistance to the new world order. Globally rooted economic pressures have induced Latin American labor to seek new forms of redress, through "exit" and efforts to reduce consumption costs, and to turn to new non-class based movements. New non-governmental groups promoting new organizational activity, and new global conceptions of rights have contributed to new movements for change. Yet, a class analysis helps pinpoint the continued covert significance of work and market based tensions even when not apparent in the form collective resistance has assumed. Meanwhile, a state-centric analysis points to the role of national political institutions, policies, and discourse in mediating both globalization trends and resistance to them. Yet, state features themselves

need to be explained, both in relation to macro economic reforms and civil society dynamics. States are not static entities.

Theoretical efforts at explanation aside, injustices that persist in the twenty-first century, and changing conceptions of injustices, are likely to continue to stir new social movements and new constructions of movements born in conditions of the past. Latin Americans can be expected to continue to press the limits of the art of the possible. They are their own best hope for a more humane and just future. Their views should be taken into account by policymakers.

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