

# BIG FLAME



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## GLOBALIZATION

### Notes On Global Capitalism & Neoliberalism

#### The Passion For Free Markets

Abridged from Noam Chomsky

*For more than half a century, the UN has been the main forum for the US to try to create a world in its image, maneuvering with its allies to forge global accords about human rights, nuclear tests or the environment that Washington insisted would mirror its own values* David Sanger, writing in the New York Times.

The course of recent history has been dictated by the US' attempt to spread free market doctrine and practice to the rest of the world while maintaining high levels of protectionism at home. The primary instruments of this policy have been firstly military, through interventions across the globe and secondly economic (through the WTO, IMF and World Bank). What is Chomsky's view, deriving from his overview of the process(es) ?

[Sanger] is celebrating the WTO agreement on telecomms. The agreement "empowers the WTO to go inside the borders of the 70 countries", allowing the US to intervene profoundly in the internal affairs of others, compelling them to change their laws and practices. Crucially, the WTO will make sure that other countries are "following through on their commitments to allow foreigners to invest" without restriction. The likely outcome is clear to all: "The obvious corporate beneficiaries of this new era will be US carriers who are best positioned to dominate a level playing field". [Across the globe assets in key industrial sectors like food, agricultural and industrial innovation, finance and telecomms, which governments previously saw as being fundamental to economic well-being and national sovereignty, are being privatized. At the same time control of these assets is being concentrated in the hands of a relatively few global corporates through mega-mergers and an international politico-military elite]. Concentration of communications raises some rather serious questions about meaningful democracy. Similar questions arise about the concentration of finance, which undermines popular involvement in social and economic planning. Control over food raises even more serious questions, in this case about survival. The UN Food and Agricultural Organization is warning countries to reverse the policies imposed on them by the "Washington Consensus"; policies that had a disastrous impact on much of the world, while proving a great boon to subsidized agribusiness and narco-trafficking, perhaps the most dramatic success of neoliberal reforms as judged by "free market values". Control over food supplies by foreign corporate giants is well under way and, with the agreement over telecomms, financial services are next in line.

[Other international institutions such as the International Court of Justice (which condemned US action in Nicaragua) or the UN General Assembly (which wanted the US embargo of Cuba lifted) are routinely ignored]. The world that the US has sought to create through international institutions is one based on the principle of the rule of force. The American passion for free trade entails that the US government may violate trade agreements at will. No problem arises when communications, finance and food supplies are taken over by foreign (mainly US) corporations. The US now reserves to itself "the power to determine whether the Court has jurisdiction in a particular case". The long-standing principle now to be enforced in a world that is no longer obedient is that "the US does not accept compulsory jurisdiction over any dispute involving matters within the domestic jurisdiction of the US, as determined by the US". The basic operative principle was stated elegantly by Madeleine Albright when she lectured the UN Security Council about its unwillingness to go along with US demands concerning Iraq. The UN is an appropriate forum when its members "can be counted on" to share Washington's views but not when the majority "opposes the US on important international questions". International law and democracy are fine things - but as judged by their outcome not the process; like free trade. Washington declared that the WTO had "no competence to proceed" on an issue of American national security [the Cuba embargo] because "we do not believe anything the WTO says or does can force the US to change its laws". The principle is that the US is exempt from WTO interference with its laws just as it is free to violate international law at will; uniquely, though, this privilege may be extended to client states as circumstances require. The fundamental principles of world order again resound, loud and clear.

[The realities of this policy have to be understood]. Lawyers may debate whether the ban on food and medicine violates international agreements that "food must not be used as an instrument for political and economic pressure" (Rome Declaration 1996). But the victims have to live with the fact that the Cuban Democracy Act of 1992 has "resulted in a serious reduction" in the trade of legitimate medical supplies and food donations, to the detriment of the Cuban people." The embargo has caused serious nutritional deficiencies, deterioration in the supply of safe drinking water, the sharp decline in availability of medicines and medical information leading to a low birth-rate, epidemics of neurological and other diseases with tens of thousands of victims, and other severe health consequences. US specialists found "hospitalised children lying in agony as essential drugs are denied them" and doctors compelled "to work with medical equipment at less than half efficiency because they have

spare parts". While the Clinton administration, exploiting the privilege of the powerful, attributes the grim consequences of economic warfare without parallel in current history to the policies of the regime from which it promises to "liberate" the suffering Cuban people, a more plausible conclusion is more nearly the reverse, the "American economic strangulation of Cuba" has been designed, maintained and in the post-Cold War era intensified.

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## Aspects of Globalization

Since the 1970s the stability of nations and of international relations have been rocked repeatedly by monetary collapse, debt crises, food crises, repeated recessions, energy crises, ecological decay and massive movements of money and populations across borders. The international debt crisis which erupted in 1982 when Mexico declared it could not repay its loans (caused by the onset of depression and restrictions on global money supply engineered by the US) was a consequence of the attempt to use capitalist development to solve social problems. The increase in interest rates and decline in output in the US and other developed countries were aimed at lowering wages and destroying the power of workers that had fuelled the high inflation of the 1970s while the loans taken on by "debtor" countries were also aimed at the management of social problems through development.

Throughout the Keynesian era of growth (1940s-1960s) immigration was managed by business and nation states to pit lower-waged foreign workers against higher waged local workers and to use conflict between the two groups to control both. The struggles of these workers proved so important in the disruption of accumulation that they precipitated the crisis of the Keynesian system (in the 1970s - rise of the National Front?). In response to this disruption of production, labour markets and reproduction the state launched a wide-ranging attack which combined intimidation and violence with legal controls of "immigrant" workers. Encouraged by state sanction, a period of high unemployment has once more been characterised (globally) by violent racism nurtured by right-wing politicians. The ethnic and sectarian wars in Africa, Europe and Asia have purely economic roots in the (averted) crisis of capitalism of the 1970s and 1980s.

Transnational corporations, banks and supranational agencies like the World Bank, IMF and WTO are 'delinking' themselves from political attachments to nation-state 'homes'. They have 'deterritorialized' and 'globalized' themselves and now have the capacity to move capital, money and expertise at will to places of highest return. They can produce, market and borrow on a global level while the legal and financial framework for this movement and integration has been put slowly but definitively into place. Consequently nation states, provincial governments, municipalities, local officials and unions are now increasingly helpless in controlling the movement of capital, money and jobs.

The main consequence of this globalization of corporations has been a widening gap between 'North' and 'South' which are now terms describing about one-third of humanity (most of those in the rich countries and the political elites of the poor countries) and the rest. This is a process of recolonization made possible by the Debt Crisis engineered in the 1980s to roll back the economic gains of the 'developing' world and an autonomous capitalism increasingly challenging the North. This 'recolonization' theory replaces the old imperialist states with the G7-dominated supranational organizations such as the UN, IMF, World Bank and WTO who impose their conditions on previously decolonized countries

through a combination of military and economic action. On the one side there are low-intensity wars and 'humanitarian intervention' and, on the other, threats to isolate the countries from credit and commodity markets. This has created conditions for the total subjection of Third World economies to the needs of international banks and transnational corporations, expanded the global labour market massively in ways that benefit the corporations and created a new stratum of 'global' managers whose primary loyalty is to the transnational corporations or supra-national agencies that employ them and not to their 'own' country.

The winners will be those who can benefit from an almost inexhaustible supply of very cheap labour. They will be companies who move their production offshore to low-cost areas. It should also be remembered that one of the characteristics of developing countries is that a small handful of people control the overwhelming majority of their nation's resources. It is these people who own the major part of their nation's industrial, commercial and financial enterprises and who assemble the cheap labour which is used to manufacture products for the developed world. Thus it is the poor in the rich countries who will subsidise the rich in the poor countries. Surprising to most economists has been the fact that the process of 'liberalising' fiscal and monetary policy globally has not resulted in increased inflation. This is because the continued lowering of earnings in the 1980s and (for most of the industrial workforce) the 1990s restrains inflation. Thus we are in for a long period of consolidation of capitalism with the development or near-monopolies over science, innovatory technologies, telecomms, finance and military muscle based on a game of corporate 'musical chairs': capital will continue to flow wildly round the system, seeking marginal increases in value-added wherever social and fiscal policies (basically the availability of a cheap and docile workforce to add this value) is available while gobbling up rivals in the search for cost-cutting economies of scale.

Neoliberalism came to be a widely-used term in the wake of the international debt crisis that exploded in 1982. In response the IMF demanded the substitution of market-oriented policies for previous state-guided approaches to development. Local (ie national) governments embraced the ideology of Neoliberalism (a worship of the market and subordination of all life to its demands) and implemented it under the guise of social democratic 'adjustments' or anti-communism: privatization, slashed food and housing subsidies, disinvestment in education, multiplying prisons, union-busting, land enclosure, lower wages, higher profits, monetary terrorism, free capital mobility, crackdowns on immigration, accentuated racism, reactionary social policies (e.g. against women's rights), intensified low-intensity war against peasants and the accelerated commodification of Nature.

The systematic imposition of Neoliberal policies have impacted deeply on humans, forests, rivers, oceans and the atmosphere. Governments that have sworn to protect the environment look aside as state firms and multinational corporations plunder the earth and cover what is left with toxic wastes. While pledged to 'sustainable' agrarian practices they drive peasants from the land and collaborate with drug lords and Northern banks to create the biggest industry of all - narcotics. Efforts to privatize communal lands and to impose corporate property rights on their cultural heritage and environmental knowledge are being fought by peasants and by indigeneous peoples everywhere. Efforts to turn communities into waste dumps for the poisonous by-products of socially-irresponsible Neoliberal development are being resisted by groups in the First, Second and Developing Worlds. From the indigeneous Zapatista uprising in Southern Mexico to recent anti-nuclear waste mobilizations in Germany, struggles are spreading, linking up and complementing each other.

# Global Resistance

## Opposition To Neoliberalism

One of the key factors explaining the rising influence of peasant movements is their autonomy and independence from electoral parties and guerilla 'commanders'. A second is their embrace of a national socio-political agenda developed by themselves and implemented autonomously with the tools to hand: direct action. A fundamental organising principle is "self-determination", the idea that only the peasants through their own organizations can liberate themselves.

In Ecuador the peasant and indian movement spearheaded the movement that forced the resignation of the corrupt, free-market inclined President Bucaram.

In Brazil the Landless Rural Workers Movement (MST) has settled over 150,000 families (over 1m people) on uncultivated land through direct action.

In Bolivia peasants and coca-growing ex-miners recently swept local elections on a platform defending national sovereignty.

In Colombia the FARC now controls or influences half of the municipalities and has fought the US-sustained government to a standstill.

In Paraguay only a massive mobilization of peasants and students blocked a military coup. The country has been made unstable by free market policies and state promoted agribusiness that is undermining local cotton and food producers, inciting a cycle of land occupations and violent military evictions.

In Mexico the EZLN has moved the effects of NAFTA (free trade) to the centre of national politics as 1m peasants and tens of millions of salaried employees have suffered severe drops in income.

The new peasant movements have a national agenda: they are not solely concerned with rural issues. They are socio-political movements struggling against the free market policies of privatization, de-regulation and export promotion. The rural movements have formed political alliances with trades unions and contributed to the organization of urban slum dwellers.

The neo-liberal regimes and their backers in Washington have responded to the growing peasant movements by militarizing the countryside: there are 40,000 soldiers in Chiapas and 5 new paramilitary groups. In Colombia, Peru and Bolivia US-backed regimes and paramilitaries wage incessant scorched earth warfare against rural protest and guerilla insurgents under the guise of combatting left-terrorism and the drug trade. Washington's responsibility for the militarization of the Latin American countryside is clear. Clinton's push for free markets is undermining local peasant producers who are ruined by cheap US corn and grain imports. Agro-business export strategies are converting the countryside into one big plantation displacing peasant and Indian communal farmers. Those not displaced by the market are driven out by US-trained and armed paramilitaries. But resistance is growing. In one place the Army drove off scores of families who had occupied land and established a communal society. Several months later the peasants reoccupied the land and organized a conference of over 1000 students, professionals and peasants, forming a

national coordinating committee for agrarian reform. The peasants want intellectuals and professionals to be resource people for the movements, rather than the movements serving the intellectuals and professionals as the source of grant aid and consultancy.

In Brazil massive demonstrations across the country were triggered by the televised massacre of 18 non-violent protesters. 100,000 people marched on the capital and the government buckled. The leadership refused to compromise arguing, "It is necessary to negotiate but never at the price of demobilizing the movement. Otherwise you have nothing to negotiate in the future." In Peru, the Peasant Confederation (CCP) organises self-defense against paramilitary forces and the Shining Path guerillas, rejecting parliamentarism: "The closer to parliament, the further from the people."

The most promising aspect of the new peasant movements is their understanding of the limits of strictly 'peasant' movements. All are making a concerted effort to build an urban base of support and coordinate rural and urban struggles. The Paraguayan Peasant Federation has a distinctly anti-free market and narco-capitalism agenda. In Bolivia the coca farmers formed a political party that swept all the coca growing areas. In Brazil the MST has begun a systematic effort to reform the giant slum settlements focussing both on immediate demands for land titles and infrastructure but also political education through leadership training schools and the development of an anti-capitalist perspective. MST sees their urban organizing project as part of a national political struggle. Their "Project Brazil" program is based on a reversal of all the major free market counter-reforms: renationalization of major industries, socialization of major parts of the economy such as banks and an integrated agrarian program limiting cheap exports and linking producers and processors. Winning the cities is not an open road. The urban middle class and trade unions still have a patronizing view of the peasantry. Today it is rural workers who are challenging the traditional belief that the urban working class are the designated vanguard of historical change. They are looking for an alliance with urban workers and poor but only on terms of a common program in which agrarian issues share centre stage. Old style internationalism has been replaced by a new voluntary, decentralized consultative internationalism in which diverse cultures flourish and common struggles are being forged by ordinary activists. The peasants are extremely conscious of recuperation and the danger of being exploited by leaders who are bought off by the democratic process. Many have adopted a set of demands that are essentially non-negotiable and cannot be compromised and have organisational forms that ensure representation, mass participation and policy from below.

### Reading

*Social Democracy: No Future ? Aufheben #7*

*Notes on NAFTA: The Masters of Mankind* Noam Chomsky

*The Passion For Free Markets* Noam Chomsky

*Staying Alive: Women, Ecology & Development* Vandana Shiva

*Grassroots Post-Modernism* Madhu Suri Prakash

*Global Ecology: New Arena of Political Conflict* Wolfgang Sachs

*Eco-Warriors: Understanding The Radical Environment*

*Movement* Rik Scarce

# Aspects of Globalization

## Commodification

The process of commodification is far more serious than adopting the struggles of indigeneous peoples, their culture, their dignity, suffering and oppression as a means to sell albums or cosmetics, though this one of its more odious forms. The process has gone far indeed. Violence of the most insensate form is for sale, paramilitary groups ready to sell their guns to the highest bidder whether guarding oil platforms in the Caspian Sea, waging war against Red Brigade or ETA, hacking off arms in Sierra Leone or burning protesters alive in Ogoniland, slaughtering peasants and indigeneous people in Latin America to create vast coca-growing plantations. Sex has always been for sale but now the trafficking of women and children for sex is reaching epidemic proportions. There are reported to be 50,000 trafficked women in Europe alone, mostly Russian and East European but also economic migrants from Asia, existing in a twilight world of slavery, bonded labour, sado-masochism and paedophilia, bought, sold and murdered by the same criminal gangs that are waging war to control the drugs and arms trades in Europe and North Africa. More culture than aboriginal art decorating BA tailfins is being expropriated and claimed as property by western artists and elites. The natural biosphere has become a vast corporate preserve in which the very means of life, our bodies in fact will soon be private property. Animal and plant DNA, foetal tissue being grown in vats, title to plant species such as grains or botanicals are giving corporations control of the whole food chain and pharmacopia. Celera is racing to patent all human DNA codes as the means of controlling the production of medicines, gene therapies and a range of 'tailored' lifestyle enhancing drugs. How long before we have the first contract whereby a genetically-enhanced human must work off their economic debt in the service of the corporate entity that sponsored their creation? Commodification is backed by a range of oppressive political and economic instrumentalities (laws, contracts, regulations and legislations) that defend property title and force people to engage with those who have something to sell as the means to live (on the one hand) and by processes such as alienation, urbanization and modernization that are best disguises for what is happening and at worst the main factors in the decay of civilisation.

## Flexibilisation

The 'flexibilisation' of capital and labour is a major force underpinning the globalization of capitalism. This is a process going on around the world. It ranges from the onslaught on the rigid, closed state capitalism of People's China in the search for new cheap labour and an unfettered market; the depopulation of the Brazilian campos and creation of vast labour pools in the *favelas*; the elimination of trade union rights in places such as Peru and South Korea in the name of liberalization and nationality; the privatization of state and public sectors and with it the rights and privileges accorded to workers after decades of struggle; the tearing down of tariff barriers and nationally-determined regulations on quality, access to markets, standards and so on which work to protect

indigeneous production at the expense of the multinationals, coupled with the destruction of or reform of monetary and financial controls. Neoliberalism and monetarism have provided the political and economic justifications for a decades long onslaught on the public sector and social democracy generally and with them the social contract underpinning the decaying democracies of the western world. This has been aided by the process of technological development which has made it far easier to move production from place to place, to introduce new processes and techniques cheaply and to threaten labour from a variety of angles.

## McDonaldisation

McDonaldisation is where commodification and flexibilisation meet. On one hand, any human activity or process is atomised, scrutinised, organized and reproduced in a form that allows maximum value added to be extracted from it in a way that accords the subject of the process (whether as producer or consumer) minimal control over it. On the other, this process becomes a vehicle for cultural imperialism of the worse sort, acting as a 'progressive' model or template that challenges indigeneous forms while exploiting to the maximum. The process itself is commodified as managers and experts apply the 'science' to any number of industrial, commercial or cultural activities. Just as Taylorism was a *system* for increasing the intensity of exploitation of factory workers, McDonaldisation is a *system* for increasing exploitation of consumers. Both act to alienate human being from human being and subject us to various forms of controlling techniques. Or did you not know that in McDonalds we are routinely videoed in the search for improvements to marketing and sales techniques - we become commodities ourselves, items of information that can be used, mutated, sold and resold. McDonaldisation involves atomisation (of process), alienation and homogenization in contrast to forms of production that emphasise the wholeness of technique, the engagement of artist with subject (if you like) and diversity of form and outcome (which is a basic component of experience). It is this that is uniquely destructive and dangerous, not only divorcing us from holistic and organic technics and forces but enjoining a method of production and reproduction that enslaves and ultimately destroys. Where this is simply a strange and mutated process isolated within an unimportant setting like the alien warehouses of work, it is unimportant and can be controlled: a debilitating and demoralizing thing but only individually destructive. Where it is a globalised phenomena, replicated in a thousand different ways, a process that has the political and economic muscle not to be ignored, to force itself into every nook and cranny of society (whether, for instance our increasingly regimented schools, the Taylorist factories of educational achievement, the metered and regulated environments of call centres or the formulaic reproductions of mod/pop art), then it threatens our very existence as human beings; indeed, the crisis of alienation that is breeding fighting classes capable of unspeakable horror and a bourgeoisie in flight from fear and reality on a global scale threatens war to the hilt. Bought, sold and butchered, we no longer control the machine but have become its grist.