

Chomsky on the Zapatistas

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by Noam Chomsky

The New Year's Day uprising of Indian peasants in Chiapas readily be understood in this general context. The uprising coincided with the enactment of NAFTA, which the Zapatista army called a "death sentence" for Indians, a gift to the rich that will deepen the divide between narrowly concentrated wealth and mass misery, and destroy what remains of the indigenous society.

The NAFTA connection is partly symbolic; the problems are far deeper. "We are the product of 500 years of struggle," the Zapatistas' declaration of war stated. The struggle today is "for work, land, housing, food, health care, education, independence, freedom, democracy, justice, and peace." "The real background," the vicar-general of the Chiapas diocese added, "is complete marginalization and poverty and the frustration of many years trying to improve the situation."

The Indian peasants are the most aggrieved victims of Mexican government policies. But their distress is widely shared. "Anyone who has the opportunity to be in contact with the millions of Mexicans who live in extreme poverty knows that we are living with a time bomb," Mexican columnist Pilar Valdes observed.

In the past decade of economic reform, the number of people living in extreme poverty in rural areas increased by almost a third. Half the total population lacks resources to meet basic needs, a dramatic increase since 1980. Following International Monetary Fund (IMF)-World Bank prescriptions, agricultural production was shifted to export and animal feeds, benefiting agribusiness, foreign consumers, and affluent sectors in Mexico while malnutrition became a major health problem, agricultural employment declined, productive lands were abandoned, and Mexico began to import massive amounts of food. Real wages in manufacturing fell sharply. Labor's share in gross domestic product, which had risen until the mid-1970s, has since declined by well over a third. These are standard concomitants of neoliberal reforms. IMF studies show "a strong and consistent pattern of reduction of labor share of income" under the impact of its "stabilization programs" in Latin America, economist Manuel Pastor observes.

The Mexican Secretary of Commerce hailed the fall in wages as an inducement to foreign investors. So it is, along with repression of labor, lax enforcement of environmental restrictions, and the general orientation of social policy to the desires of the privileged minority. Such policies are naturally welcomed by the manufacturing and financial institutions that are extending their control over the global economy, with the assistance of mislabeled "free trade" agreements.

NAFTA is expected to drive large numbers of farm workers off the land, contributing to rural misery and surplus labor. Manufacturing employment, which declined under the reforms, is expected to fall more sharply. A study by Mexico's leading business journal, *El Financiero*, predicted that Mexico would lose almost a quarter of its manufacturing industry and 14 percent of its jobs in the first two years. "Economists predict that several million Mexicans will probably lose their jobs in the first five years after the accord takes effect," Tim Golden reported in the *New York Times*. These processes should depress wages still further while increasing profits and polarization, with predictable effects in the United States and Canada.

A large part of the appeal of NAFTA, as its more forthright advocates regularly stressed, is that it "locks in" the neoliberal reforms that have reversed years of progress in labor rights and economic development, bringing mass impoverishment and suffering along with enrichment for the few and for foreign investors. To Mexico's economy generally, this "economic virtue" has brought "little reward," the *London Financial Times* observes, reviewing "eight years of textbook market economic policies" that produced little growth, most of it attributable to unparalleled financial assistance from the World Bank and the United States. High interest rates have partially reversed the huge capital flight that was a major factor in Mexico's debt crisis, though debt service is a growing burden, its largest component now being the internal debt owed to the Mexican rich.

Not surprisingly, there was substantial opposition to the plan to "lock in" this model of development. Historian Seth Fein, writing from Mexico City, described large demonstrations against NAFTA, "well articulated, if too-little-noticed in the United States, cries of frustration against government policies-involving repeal of constitutional labor, agrarian, and education rights stipulated in the nation's popularly revered 1917 constitution-that appear to many Mexicans as the real meaning of NAFTA and U.S. foreign policy here." *Los Angeles Times* correspondent Juanita Darling reported the great anxiety of Mexican workers about the erosion of their "hard-won labor rights," likely to "be sacrificed as companies, trying to compete with foreign companies, look for ways to cut costs."

A "Communication of Mexican Bishops on NAFTA" condemned the agreement along with the economic policies of which it is a part because of their deleterious social effects. The bishops reiterated the concern of the 1992 conference of Latin American bishops that "the market economy does not become something absolute to which everything is sacrificed, accentuating the inequality and the marginalization of a large portion of the population"-the likely impact of NAFTA and similar investor rights agreements. The reaction of the Mexican business world was mixed the most powerful elements favored the agreement, while mid-sized and small businesses, and their organizations, were dubious or hostile. The leading Mexican journal *Excelsior* predicted that NAFTA would benefit only "those 'Mexicans' who are today the masters of almost the entire country (15 percent receive more than half the GDP)," a "de-Mexicanized minority," and would be another stage of "the history of the United States in our country," "one of unchecked abuses and looting." The agreement was also opposed by many workers (including the largest nongovernmental union) and other groups, which warned of the impact on wages, workers' rights, and the environment, the loss of sovereignty, the increased protection for corporate and investor rights, and the undermining of options for sustainable growth. Homero Aridjis, president of Mexico's leading environmental organization, deplored "the third conquest that Mexico has suffered. The first was by arms, the second was spiritual, the third is economic."

It did not take long for such fears to be realized. Shortly after the NAFTA vote in Congress, workers were fired from Honeywell and GE plants for attempting to organize independent unions. The Ford Motor Company had fired its entire work force in 1987, eliminating the union contract and rehiring workers at far lower salaries. Forceful repression suppressed protests. Volkswagen followed suit in 1992, firing its 14,000 workers and rehiring only those who renounced independent union leaders, with government backing. These are central components of the "economic miracle" that is to be "locked in" by NAFTA.

A few days after the NAFTA vote, the U.S. Senate passed "the finest anti-crime package in history" (Senator Orrin Hatch), calling for 100,000 new police, high-security regional prisons, boot camps for young offenders, extension of the death penalty and harsher sentencing, and other onerous conditions. Law enforcement experts interviewed by the press doubted that the legislation would have much effect on crime because it did not deal with the "causes of social disintegration that produce violent criminals." Primary among these are the social and economic policies polarizing American society, carried another step forward by NAFTA. The concepts of "efficiency" and "health of the economy" preferred by wealth and privilege offer nothing to the growing sectors of the population that are useless for profit-making, driven to poverty and despair. If they cannot be confined to urban slums, they will have to be controlled in some other way.

Like the timing of the Zapatista rebellion, the legislative coincidence was of more than mere symbolic significance.

The NAFTA debate focused largely on job flows, about which little is understood. But a more confident expectation is that wages will be held down rather broadly. "Many economists think NAFTA could drag down pay," Steven Pearlstein reported in the Washington Post, expecting that "lower Mexican wages could have a gravitational effect on the wages of Americans." That is expected even by NAFTA advocates, who recognize that less skilled workers-about 70 percent of the work force-are likely to suffer wage loss.

The day after the congressional vote approving NAFTA, the New York Times ran its first review of the expected effects of the treaty on the New York region. The review was upbeat, consistent with the enthusiastic support throughout. It focused on the expected gainers sectors "based in and around finance," "the region's banking, telecommunications, and service firms," insurance companies, investment houses, corporate law firms, the PR industry, management consultants, and the like. It predicted that some manufacturers might gain, primarily in high tech industry, publishing, and pharmaceuticals, which will benefit from the protectionist measures designed to ensure that major corporations control the technology of the future. In passing, the review mentioned that there will also be losers, "predominantly women, blacks and Hispanics," and "semi-skilled production workers" generally that is, most of the population of a city where 40 percent of children already live below the poverty line, suffering health and educational disabilities that "lock them in" to a bitter fate.

Noting that real wages have fallen to the level of the 1960s for production and non-supervisory workers, the Congressional Office of Technology Assessment, in its analysis of the planned (and implemented) version of NAFTA, predicted that it "could further lock the United States into a low-wage, low-productivity future," though revisions proposed by OTA, labor, and other critics-never admitted to the debate-could benefit the populations in all three countries.

The version of NAFTA that was enacted is likely to accelerate a "welcome development of transcendent importance" (Wall Street Journal) the reduction of U.S. labor costs to below any major industrial country apart from England. In 1985, the U.S. ranked at the high end among the seven major state capitalist economies (G7), as one would expect of the richest country in the world. In a more integrated economy, the impact is worldwide, as competitors must accommodate. GM can move to Mexico, or now to Poland, where it can find workers at a fraction of the cost of Western labor and be protected by high tariffs and other restrictions. Volkswagen can move to the Czech Republic to benefit from similar protection, taking the profits and leaving the government with the costs. Daimler-Benz can make similar arrangements in Alabama. Capital can move freely; workers and communities suffer the consequences. Meanwhile the huge growth of unregulated speculative capital imposes powerful pressures against stimulative government policies.

There are many factors driving global society towards a low-wage, low-growth, high-profit future, with increasing polarization and social disintegration. Another consequence is the fading of meaningful democratic processes as decision making is vested in private institutions and the quasi-governmental structures that are coalescing around them, what the Financial Times calls a "de facto world government" that operates in secret and without accountability.

These developments have little to do with economic liberalism, a concept of limited significance in a world in which a vast component of "trade" consists of centrally-managed intra-firm transactions (half of U.S. exports to Mexico pre-NAFTA, for example- "exports" that never enter the Mexican market). Meanwhile private power demands and receives protection from market forces, as in the past.

"The Zapatistas really struck a chord with a large segment of the Mexican populace," Mexican political scientist Eduardo Gallardo commented shortly after the rebellion, predicting that the effects would be wide-ranging, including steps toward breaking down the long-standing electoral dictatorship. Polls in Mexico backed that conclusion, reporting majority support for the reasons given by the Zapatistas for their rebellion. A similar chord was struck worldwide, including the rich industrial societies, where many people recognized the concerns of the Zapatistas to be not unlike their own, despite their very different circumstances. Support was further stimulated by imaginative Zapatista initiatives to reach out to wider sectors and to engage them in common or parallel efforts to take control of their lives and fate. The domestic and international solidarity was doubtless a major factor in deterring the anticipated brutal military repression, and has had a dramatic energizing effect on organizing and activism worldwide.

The protest of Indian peasants in Chiapas gives only a bare glimpse of "time bombs" waiting to explode, not only in Mexico.

