

EIGHTH EDITION

Latin America: An Interpretive History

E. Bradford Burns

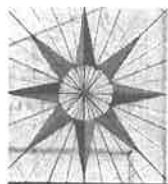
University of California, Los Angeles

Julie A. Charlip

Whitman College



Upper Saddle River, New Jersey



CHAPTER 11

FORWARD INTO THE PAST

In December 2000, the volcano Popocatepetl erupted in Mexico. It was the worst eruption in 500 years. "In Mexican culture, Popo's activity represents a premonition of historic events," said poet Homero Aridjis. "It is full of omens." Historians are wary of predictions. The significance of historic events can be seen much more clearly when they are well past. But some important trends appear to be emerging.

At the turn of the twentieth century, there was an eerie return to old patterns: Neoliberalism and its love affair with the world market reprised the free-trade liberalism of the late nineteenth century. A new revolutionary movement in Mexico resurrected an historic name and claim—Zapata and the land—while waging its struggle largely on the Internet. An old revolutionary movement in Colombia transitioned in the language of U.S. foreign policy from Communists to narcotraffickers to terrorists. Renewed economic crisis swept politicians out of office and put in their place left-leaning leaders who tried to find yet another new path for Latin America.

Yet, the same questions remained: Who will rule Latin America? Who will benefit? How does a region create prosperity and equality? Why do so many poor people inhabit rich lands?

NEOLIBERALISM AND ITS DISCONTENTS

The original liberals were Adam Smith and David Ricardo, who touted free markets and comparative advantage as the routes to prosperity. Neoliberalism is a return to that unfettered capitalism, and in Latin America, its achievement meant undoing years of state involvement in the economy. The tenets of neoliberalism in Latin America are cuts in social spending, privatization of public activity, encouragement of market solutions to social

problems, deregulation of private activity, and, of course, free trade. Neoliberalism is backed by the United States, in what is known in development circles as the "Washington consensus," and the basic ideas are embedded in the development strategy advocated by the IMF, the World Bank, and the IDB. Liberalism returned to Latin America in the form of structural adjustment policies demanded by the IMF and the World Bank so that the region could repay its debts and pull out of the tailspin of the "lost decade" of the 1980s. Throughout the 1990s, the region's leaders were busy lowering and eliminating tariff barriers, welcoming foreign investment, and selling off state-owned industries.

Globalization was initially greeted in Latin America with great euphoria. Latin American governments opened their economies wide, dropping tariff barriers and inviting foreign investment, which flowed into the region for the first time since the wave of defaults that began with Mexico in 1982. But by the end of the 1990s, many Latin Americans were disappointed and pessimistic. Free markets were supposed to bring economic growth, but growth levels were far lower than expected. Whereas the world's developing economies grew on average 4.7 percent a year, Latin America mustered only 3.3 percent, with less than 2 percent growth in Ecuador and Venezuela. Growth in per capita income lagged even further, growing only 1.3 percent.

From 1990 to 1997, the Latin American economies grew, and poverty fell, although it was still higher than it was in 1980. But starting in 1997, growth rates plummeted and poverty increased. By 2002, economists were talking about a "lost half decade," much like the lost decade of the 1980s. ECLAC warned that to meet United Nations goals of halving poverty by 2015, Latin America would have to grow by unrealistically high percentages. It was time, the agency recommended, for the region to rely not just on growth but to also carry out government-led redistribution of wealth. But government intervention in the economy was anathema in the 1990s as governments adhered to neoliberal precepts with an almost religious fervor.

Globalization also had a profound impact on the structure of Latin American economies. For much of the twentieth century, government leaders focused on industrialization as the way to modernize their economies. But during the 1990s, productivity in manufacturing either declined or remained stagnant. In fact, most of Latin America deindustrialized, according to the United Nations Commission on Trade and Development (UNCTAD). Although Mexico and several Central American nations increased manufacturing, it was only through the addition of assembly plants using imported components. South America, with the exception of Brazil, returned to the export of natural resources. And the prices of those products declined during the decade, just as the terms of trade on commodities had declined for much of Latin America's history.

Although the neoliberal policies were instituted largely because of the debt crisis, Latin American debt grew precipitously. By 2005, the region's

debt totaled \$720 billion, equivalent to 38 percent of its gross domestic product. Although net foreign direct investment in 2004 was a sizable \$44 billion, this was more than offset by the \$49.6 billion that left the country. The outflow included debt payments and capital flight.

The new policies were shocking not just because of the economic changes but because of what that implied about nationalism, one of Latin America's most important philosophies of the twentieth century. While Mexicans in 1938 had rallied around their government in support of a nationalized PEMEX as a symbol of Mexican sovereignty, in 1998 they rallied to make sure that the state would not sell PEMEX off to the highest bidder. Their fears were justified, as the government went from owning 1,050 enterprises in 1983 to 210 in 2003, with many of the companies purchased by foreigners.

Economists insisted that privatization would eliminate problems of inefficiency and corruption in state-run corporations. Officials were so enthusiastic that Latin America led the world in privatization in the 1990s, representing nearly half of the value of sales worldwide. The value of these privatizations was more than 10 percent of the nation's gross domestic product in Bolivia, Peru, and Brazil, and greater than 5 percent in Argentina, El Salvador, Guatemala, Mexico, Venezuela, and Colombia.

The effects of privatization, however, were problematic. The sales concentrated wealth in the hands of even fewer people and corporations because few had the resources to buy these companies. The sales also increased foreign ownership of the economy because foreign corporations had more resources to buy the state assets. Between 1990 and 2002, multinational corporations acquired 4,000 banks, telecommunications, transport, petroleum, and mining interests in Latin America. Furthermore, privatization directly affected the services provided to Latin Americans, who saw utility rates rise and the quality of services deteriorate.

By the end of the decade, nearly two-thirds of Latin Americans polled were opposed to privatization. The reasons were exemplified by the case of Aguas Argentinas. In 1993, the Argentine government sold the Buenos Aires water company to a consortium comprising the Suez group from France, the largest private water company in the world; Spain's Aguas de Barcelona; the World Bank, which bought a small stake in the consortium; and several small Argentine banks that included relatives and business partners of government officials. The consortium slashed its workforce in half and raised water rates by 88 percent from 1993 to 2002, earning profits of 20 percent—compared with typical water company profits of 6 percent in Europe and 6 to 12 percent in the United States. By 1997, the company had failed to honor 45 percent of its commitments to improve and expand services and it stood accused of dumping sewage into the Río de la Plata.

The reduction of the size of government was not carried out solely through the sale of state companies. It was also managed through cutbacks

in public spending, which meant that many of the rights that were won through years of struggle—such as labor rights, public maintenance of water and sewage, and education—were eroded or abandoned. One example is Nicaragua's health budget, which was slashed in half from 1990 to 1991 to meet demands from multilateral lenders.

The result of globalization by early in the new millennium was an increase in poverty. In 2002, 44 percent of Latin America's people—221 million—were living in poverty. Of them 97 million—19.4 percent of the population—lived in extreme poverty or indigence. Poverty in Latin America is considered an income of \$2 a day, whereas extreme poverty is \$1 a day or less. Part of the reason for the increased poverty was an increase in unemployment. Joblessness rose 10 percent across the region from 1990 to 2000.

There also was a corresponding increase in child labor. In Argentina, one of the region's most developed economies, an estimated 1.5 million children under the age of 15 were forced to go to work in 2004, an increase of 600 percent since 1998. The most common forms of child labor were street performers (14 percent); *cartoneros*, who help their parents scavenge through trash for recyclables (11 percent); and children selling things in bars, mass transit, or the streets (4 percent). In Colombia, a staggering 2.5 million children were found to be working, approximately 20 percent of children from 5 to 17 years old. Close to half of them received no pay, whereas the rest earned only 25 percent of Colombia's minimum wage (\$41 a month).

Such results of the neoliberal agenda were predicted in 1994 by the *Ejercito Zapatista de Liberación Nacional* (EZLN; Zapatista National Liberation Army), which emerged along with the North American Free Trade Agreement (NAFTA).

NAFTA AND THE ZAPATISTAS

One of the hallmarks of the new liberalism was pressure from the United States to form free-trade areas. U.S. officials saw these agreements as an interim step to the freeing of trade worldwide. The negotiations regarding trade and tariffs had been carried out since 1948 under the auspices of the General Agreement on Tariffs and Trade (GATT), one of the agencies created at Bretton Woods. The GATT was superseded in 1995 by the World Trade Organization (WTO), which provides the institutional framework for multilateral trade.

According to the Congressional Budget Office, "One reason for the recent U.S. pursuit of [free-trade areas] is that progress in multilateral trade negotiations has become more difficult. The increasingly large membership of the GATT/WTO over time means that more countries must reach agreement in each subsequent round of negotiations. The newer members are generally developing countries that see their interests as being different from

those of the United States and other industrialized countries that were more dominant in the earlier rounds."

The first free-trade area to emerge in Latin America was NAFTA, which encompassed the United States, Canada, and Mexico. NAFTA was supposed to boost trade between the regions and create more prosperity on both sides of the border. The Mexican elites saw it as their salvation. Others saw it as "a death sentence."

On January 1, 1994, the day that NAFTA took effect, a group of armed guerrillas rose up and occupied government buildings in the town of San Cristobal in Chiapas, the poorest and most indigenous state in Mexico. They stated, "This is our response to the implementation of the North American Free Trade Agreement, because this represents a death sentence for all of the indigenous ethnicities in Mexico." They called themselves the EZLN, or Zapatistas, harkening back to the Mexican Revolution. The choice was no accident—Emiliano Zapata's cry of Land and Liberty resonated even more after 1992, when congress amended Article 27 of the Mexican constitution, which essentially ended land reform by allowing the privatization of ejido plots.

It was also no accident that the movement began in Chiapas. In the nineteenth century, Chiapas was a timber and coffee region where Maya lived as virtual debt slaves. The region was split between the relatively prosperous west, which was fertile and characterized by commercial development, and the poor, subsistence-oriented east. The struggle between ranchers, landowners, and subsistence farmers was intensified at the turn of the century by competition with Guatemala.

Many say that Mexico's 1910 revolution never reached Chiapas. Large estates were left intact, while the rest competed for the remaining land. As the Mexican economy industrialized in the 1950s, state economists advocated the production of cheap food for urban workers. Low food prices meant low prices for small farmers and low wages on large farms. Then commercial farmers in western Chiapas expanded, encroaching on subsistence farming in the east. Desperate indigenous farmers colonized the Lacandón jungle. In the 1970s, the government built two hydroelectric plants in Chiapas on the Grijalva River, and in the 1980s large landowners converted the land they had once rented to small farmers into cattle grazing areas. More land was lost to subsistence production as territory was marked off by the government for bioreserves.

Meanwhile, Chiapas could be characterized overall as the poorest and most indigenous state in Mexico. In 1994, only 11 percent of the population earned a moderate income, compared with 24 percent nationwide. Less than 50 percent had running water, compared with 67 percent nationwide. While Chiapas had only 3 percent of Mexico's population, it produced 54 percent of the nation's hydroelectric power, 13 percent of its gas, and 4 percent of its oil—yet nearly one-half of Chiapas was without electricity.

The Zapatistas began organizing in Chiapas in 1983, biding their time until just the right moment. Tying the uprising to NAFTA focused world attention on the tiny group and their remote region. The armed battle lasted only twelve days, but the EZLN had not expected to win a military victory and take state power. They intended to capture world attention and build a movement.

The Zapatistas are different from other revolutionary groups in Latin American history. They reject vanguardism, the idea that only a tiny revolutionary elite knows the way to effect change. Although the media have focused on their charismatic leader, Subcomandante Marcos, the organization runs on communal decision making. And while the majority is indigenous, the EZLN is not just an ethnically based movement. The Zapatistas have urged all Mexicans to join them, not by also taking up arms but by calling on the Mexican government to create true democracy, to develop the country rather than just grow the economy, and to give regions such as Chiapas their autonomy.

The Mexican government responded by keeping some 40,000 troops, one-quarter of the nation's armed forces, stationed in Chiapas. The army launched an assault against the guerrillas in February 1995, but then agreed to enter peace negotiations. Throughout the negotiations, however, guerrillas and campesinos were attacked by paramilitary groups linked to landowners and ignored or supported by the government. By 2000, there were at least ten such groups, and more than 20,000 people were displaced by paramilitary terror from 1995 to 2000. The worst episode was a massacre in the town of Acteal in December 1997, when forty-five people, mostly women and children, were driven from the town church and killed. Negotiations from 1995 to 1996 resulted in the San Andres Accords, but they were never implemented, although in a March 1999 referendum, three million Mexicans went to 15,000 Zapatista polling places and voted their support for the agreement.

During the 1990s, Mexico's National Migration Institute kept close tabs on foreigners traveling to Chiapas, fearful that negative international publicity would affect NAFTA. Hundreds of observers were deported, and in 1998, Interior Minister Francisco Labastida claimed there was an "international movement to intervene in the internal affairs of our country." Labastida was later tapped as PRI's presidential candidate in the historic 2000 elections, in which PRI allowed an opposing candidate to win the elections for the first time since the party took power 71 years earlier. New president Vicente Fox prioritized a resolution of the Chiapas crisis, and began withdrawing troops from the region.

But foreigners do not have to travel to Chiapas to find out about the Zapatistas. One of the most striking elements of the EZLN has been their use of new technology. The Zapatista website shares the organization's declarations with the world. This is an enormous shift from just a decade earlier,

when internationalists in solidarity with the Nicaraguan revolution carefully carried Sandinista brochures and posters back to their home countries.

The Web site features the witty writings of Subcomandante Marcos, who has been identified by the Mexican government as Rafael Guillén, a mestizo who grew up in Tamaulipas, the son of a furniture salesman, and



The intriguing Zapatista military leader Subcomandante Marcos became a media darling, but he insisted that he was but one of many leaders in the struggle in Chiapas, Mexico.

graduate of the Universidad Autónoma de México (UNAM). Marcos does not confirm or deny his identity, but his writing is worldly, with references ranging from Shakespeare and Cervantes to Jane Fonda and “Barbarella,” Bolívar, Zapata, and Guevara. It is the Web site that has prompted pundits to call the Zapatistas the first postmodern revolutionaries.

In 2001, the Zapatistas marched from Chiapas to Mexico City, gathering huge crowds along their trek, and culminating with an historic speech before the Mexican congress. In response, congress finally approved an autonomy plan, but it was so weak that the states with the largest indigenous populations voted against it. “The March for Indigenous Dignity” showed that the Zapatistas continued to enjoy massive support among Mexicans, but still they could not achieve change on a national level.

Meanwhile, NAFTA’s performance has been as dire as the Zapatistas predicted. The promised growth in Mexican trade was sluggish: a mere 1 percent per capita during the decade (compared with 3.2 percent per capita from 1948 to 1973). At the same time, Korea grew 4.3 percent per capita, even with the East Asian financial crisis, and China grew 7 percent. Instead of curbing illegal immigration, the number of Mexicans crossing the border rose from 200,000 to more than 300,000 a year.

Part of the reason for the exodus was the loss of Mexican jobs as businesses collapsed under the onslaught of less expensive U.S. goods. More than one million jobs were lost in Mexico during the first year alone. When jobs did begin to appear, they were in the *maquiladoras*, the assembly plants that proliferated along the border. By 2001, there were 2,000 border plants that employed more than 1.3 million workers. But the health of the assembly plants was tied to a U.S. market, and sales plummeted in the 2001 recession. More than 400,000 workers lost their jobs. Most of the people who managed to keep their jobs earned the minimum wage for border work, \$4.20 a day, which had not changed since 1994. The income disparity between the two sides of the border grew by nearly 11 percent, and real wages in Mexico actually fell by one-half.

The situation was even more precarious in the Mexican countryside because NAFTA ended farm subsidies in Mexico but not in the United States. In 2002 alone, the United States paid \$10 billion in subsidies to agricultural giants Cargill and Archer Daniels Midland, which tripled their corn exports to Mexico. By 2004, corn prices in Mexico dropped more than 70 percent, destroying the livelihood of the 15 million Mexicans who had depended on corn production.

Jorge Castañeda, who served briefly as Mexico’s foreign minister, commented that NAFTA was “an accord among magnates and potentates: an agreement for the rich and powerful...effectively excluding ordinary people in all three societies.”

But the ordinary people refused to be excluded.

processes that facilitate trade across borders also make it harder to stop drugs from following market demand.

After the bombing of the World Trade Center on September 11, 2001, the United States began to recast the guerrillas yet again, this time as terrorists. "While Latin America has not been the focal point in the war on terrorism, countries in the region have struggled with domestic terrorism for decades," the Congressional Research Service reported in 2005. The Secretary of State designated FARC and the ELN as Foreign Terrorist Organizations (FTOs), along with the AUC. Through the newly created program of Anti-Terrorism Assistance, the United States allocated \$27.5 million to Latin America in 2002, with \$25 million of it going to Colombia.

In addition, the 2005 Defense Authorization Act doubled the size of the United States military contingent permanently deployed in Colombia from 400 to 800 and raised the ceiling on the number of U.S.-supplied military contractors from 400 to 600. These contractors were involved in fumigating coca fields, operating airplanes and helicopters that provide information on guerrilla activity for the Colombian military, and evaluating intelligence information. The use of private contractors was indicative of one more aspect of Latin American life that had become subject to privatization and the market. A disproportionate number of the U.S. military contingent was based not where the coca is grown but where a more important item in international trade is located—oil.

General Charles E. Wilhelm, Marine Corps commander of the U.S. Southern Command (Southcom), told the Senate in 1998: "No one questions the strategic importance of the Middle East, but Venezuela alone provides the same amount of oil to the U.S. as do all the Persian Gulf states combined. The discovery of major oil reserves in Colombia, and existing oil supplies in Trinidad-Tobago and Ecuador, further increase the strategic importance of this region's energy resources."

As U.S. relations with Venezuela have soured, the importance of other oil-rich regions in Latin America has loomed larger. One of those regions is Arauca, Colombia, just across the Río Arauca from Venezuela's Orinoco basin. Arauca is home to the Caño-Limon oil field, run by California-based Occidental Petroleum. Many of the U.S. military advisers in Colombia have been assigned to Arauca, overseeing a new Colombian antiguerilla army unit especially created to police Caño-Limon and its pipeline.

CITIZENS AND CONSUMERS

As Latin America moved into the twenty-first century, there were tremendous changes but also remarkable continuities. Unfortunately, what seemed to continue was the maldistribution of wealth, leaving many Latin Americans

impoverished. Hunger, disease, malnutrition, and illiteracy still plague the region.

That such deplorable conditions can still exist in the midst of plenty, of growth, of structural changes in the economy, indicates the continued limitations of the development models used in the region. Subcomandante Marcos described the current program as the "destruction of Mexico as a nation and its transformation into a department store, something like a mega 'little shop' which sells human beings and natural resources at prices dictated by the world market."

Some Latin American intellectuals have wondered whether the core of the problem is not just Latin America's position in the international economy but the idea of development itself and the way development programs have been carried out since the end of World War II. At that time, officials in the United States were concerned about conditions in what became known as the Third World—everyone outside of the industrialized First World and the Soviet bloc's Second World. U.S. officials and businessmen had multiple concerns: Poor people make poor markets, and U.S. post-war strategy for rebuilding the world economy depended on trade. Furthermore, poor people are likely to rise up to protest their conditions, and that instability is bad for business. Unrest might also result in a successful revolution. At its worst, the revolution could result in the elimination of a market and source of cheap labor and primary goods—the Communist threat. At best, it might result in a government trying to mitigate the ills of the marketplace by insisting on higher prices for products, higher wages for labor, and the freedom to choose from multiple trade partners instead of being locked into exclusive relationships.

There were also many sincere people in the industrialized world who wanted to improve the standard of living for the masses in Latin America. Many of these people, with the best of intentions, went to work for the Agency for International Development and the Alliance for Progress in the United States, or for the many new development-oriented committees and agencies of the United Nations, such as the World Health Organization, the International Labor Organization, and the Food and Agriculture Organization.

Meanwhile, in Latin America, there was also a concern about development. Some elites, in an echo of nineteenth-century patterns, wanted to "modernize" their countries to be like the United States in the classic combination of wanting to make money and wanting to appear "modern" (no one said "civilized" anymore). At the same time, there were many Latin Americans who sincerely wanted to improve the lives of the majority. The question was how to do it.

The practical implementation of aid and investment programs designed to modernize Latin America was underpinned by a theoretical

discussion that began with the ideas laid out by U.S. economic historian W. W. Rostow in his *The Stages of Growth: A Noncommunist Manifesto*, published in 1960. Rostow argued that modernization followed a set of stages from traditional to advanced societies, and that all of the world could develop by simply following the lead of their predecessors. The problem, in his argument, was that traditional societies needed to become more capitalist. His book launched entire schools of thought about modernization and served as the basis for many modernization programs.

The reaction in Latin America, however, was a bit different. Starting from the analyses by Raúl Prebisch and ECLA, Latin Americans concluded that the problem was not a lack of capitalism but the way that capitalism unfolded in Latin America. Because the United States and Europe already had highly industrialized economies, Latin America could not compete; limited, then, to production of primary products, the region was trapped into low growth, low wages, and declining terms of trade.

Out of this analysis came the dependency school, which turned modernization on its head. The problem was not too little capitalism but too much and in too unequal a form. *Dependentistas* described Latin America as the periphery, trapped by the desires of the metropolis, usually the United States. Instead of prescribing more capitalism, the theorists frequently advocated either disconnecting from the international market or turning toward some form of socialism.

Dependency challenged traditional paradigms that the so-called Third World could, through proper programs and economic policies, become like the First World. The theories took the focus off the countries at the center, and turned the spotlight on the periphery. The theory was articulated by Latin Americans themselves: Fernando Henrique Cardoso, Enzo Faletto, Theotonio Dos Santos (joined by U.S. and European scholars, most notably Andre Gunder Frank.)

From the 1950s to the 1990s, people concerned about Latin America focused on the issue of development. For some, it was just another word for progress or modernization. As we have pointed out in this text, development was often used to describe mere growth in gross national product. Others defined it as structural change in the economy, especially via industrialization. We have focused on development as providing the most good for the most people.

But half a century after the focus on development began, some argue, Latin America is in worse shape than it was before. Development programs frequently displaced people and disrupted traditional subsistence cultures that met people's basic needs and provided them with cultural well-being. Before 1960, when the majority of people still lived in the countryside, there were indeed subsistence cultures that provided a lifestyle that to North Americans might look impoverished but that might really be a more simple way of life that amply met community needs. These communities

were frequently displaced by the spread of agro-industry and the so-called green revolution, which used many chemical inputs to increase yield and bring underutilized land into production. To the extent that development aid was aimed at modernizing Latin America, it facilitated the further expansion of commercial activity on the theory that subsistence equals poverty. The end result was often the production of a greater absolute poverty, both rural and urban, as well as the poverty that comes from destruction of community.

If, as Burns has argued elsewhere, the modernization of the nineteenth century brought with it the "poverty of progress," than the modernization of the twentieth century might be seen as the "devastation of development." How else can one view a situation in which the cure has often been worse than the supposed disease? For example, many countries that were not only self-sufficient in food but were actually food exporters ended up as food importers after the implementation of development programs that focused on exports, resulting in the creation and spread of hunger rather than its prevention.

Once again, Latin American scholars have challenged the dominant paradigm. In *Encountering Development: The Making and Unmaking of the Third World*, Colombian Arturo Escobar shows how development programs created a discourse of problematic categories, such as peasants who needed to be modernized and mothers whose fertility needed to be controlled. The process of development created the problems, then failed to solve them. Yet, the discourse has not changed.

The rural development discourse repeats the same relation that has defined development discourse since its emergence: the fact that development is about growth, about capital, about technology, about becoming modern. Nothing else. "Traditional peasants need to be modernized; they need to be given access to capital, technology, and adequate assistance. Only in this way can production and productivity be increased." These statements were uttered pretty much in the same way in 1949 as in 1960 and in 1973, and today [1995] they are still repeated ad nauseam in many quarters. Such a poverty of imagination, one may think.

Escobar encourages us to a richer imagination, asking us to imagine a postdevelopment era, in a postmodern world. The debates about modernity and postmodernity are long and complex. To oversimplify, the modern was the project of the Enlightenment and industrialization, the optimistic belief in progress and universal truths. Postmodernity is the twentieth- and twenty-first-century condition of having seen the modern project fail so profoundly in so many ways—wars, pollution, oppression, destruction. In postmodernity, there is no one truth, but many truths, many ways of interacting with and viewing the world. It is a decentered, fragmented world.

Some argue that postmodernity is irrelevant for Latin America, a region that is still not modern—or at least not modernized—in so many ways. Others

quip that Latin America is the original land of the postmodern because it has always been fragmented, always been a mixture of past, present, and future. Chilean Martín Hopenhayn suggests that Latin Americans are “becoming post-moderns by osmosis in the midst of a still-pending modernization.”

Argentine Néstor García Canclini offers the concept of *hybridity*—not the syncretism usually connected with religion, nor the *mestizaje* usually connected to race, but elements of the traditional and the modern, creating new forms, with a new hybrid emerging. This hybridity is the product of Latin America’s distinctive interaction with the modern. “The pluralist perspective, which accepts fragmentation and multiple combinations among tradition, modernity, and postmodernity, is indispensable for considering the Latin American conjuncture at the end of the century,” García Canclini writes.

What does that hybrid, postmodern, postdevelopment world look like? Perhaps it is exemplified by the Kayapo Indians of Brazil, who use video cameras in their fight to preserve a traditional way of life. Or by the Zapatistas, who evoke the figure of Emiliano Zapata from the Revolution of 1910 to preserve elements of an older indigenous culture—albeit modified by colonialism and neocolonialism—in a new project of sustainable economics that seeks autonomy within rather than conquest and control of the nation–state.

The importance of the nation and its government is increasingly being challenged. The focus of mass protests against governments and the electoral victories of center-left leaders would seem to give renewed vigor to the

importance of state control. But the power of globalization simultaneously minimizes state control, both because of the impact of international organizations such as the IMF and the WTO, and because of the power of corporations. In 2000, fifty-one of the world’s largest one hundred economic entities were corporations. Mexico, Brazil, and Argentina all had gross domestic products that are larger than any single corporation’s sales. But General Motors, Wal-Mart, Exxon Mobil, Ford Motor, and Daimler–Chrysler each had annual sales larger than any of the rest of Latin America’s countries.

Another challenge to the nation–state comes from the nature of the groups that have challenged governmental policy. Prominent among the protestors are indigenous groups. In Bolivia, where indigenous groups helped bring down the neoliberal government of Gonzalo Sánchez de Lozada in 2003, Aymara leader Felipe Quispe spoke of a strategy “that seeks to replace all state authorities with our own traditional authorities.” He has called for building an Aymara nation, a form of self-government that would include “making our own laws, exchanging the political constitution of the state with our own constitution, replacing the capitalist system with a communal one and changing the tri-colored flag with our seven-colored flag.” Thus, a nation of self-governed communities would replace the current nation–state, a proposition even more radical than the Zapatistas’ autonomy within the Mexican nation–state. Another radical plan emanates from Ecuador, where indigenous movements are demanding plurinationality, a state that would encompass many self-regulating nations.

Although such grassroots groups are based on community organizing, they are also increasingly linking at the international level, which has come to be represented by the annual World Social Forum. The forum was originally envisioned as a counterweight to the World Economic Forum, the gathering of those leading the neoliberal economic and political model, in 2001. All but one of the meetings has been held in Porto Alegre, Brazil. At the time of the first meeting, Porto Alegre was the municipal stronghold of the *Partido dos Trabalhadores* (PT; Workers’ Party), which was experimenting with participatory government; one example was the use of public assemblies to decide on how to spend the municipal budget. The forum has provided a way for the many grassroots movements to come together to find global strategies.

The contradictions of grassroots, national, and international politics seemed to be embodied in 2003 in the election of “Lula” da Silva as Brazil’s president. Lula, as he is affectionately called, was a former metal worker who became head of the metal workers union and helped found the workers’ party. He ran for president unsuccessfully three times before his 2003 victory, and he became a fixture at the World Social Forum.

In 2003, Lula flew directly from the WSF to the World Economic Forum. Many in the crowd in Porto Alegre begged him not to go, but he assured them that he would bring the WSF message: “Another world is possible.” Lula did bring that message to Davos, Switzerland—along with

Unsatisfied With Privatization of Public Services

COUNTRY	PERCENTAGE
Guatemala	98
Panama	88
Dominican Republic	87
Honduras	80
Nicaragua	79
El Salvador	78
Argentina	75
Bolivia	75
Ecuador	74
Colombia	74
Peru	71
Chile	70
Brazil	65
Mexico	63
Venezuela	59

Source: *Latinamerica Press*, October 28, 2004, using data from *Latinobarómetro* 2004.

assurances that Brazil still wanted international trade and investment. The businessmen applauded. They continued to applaud during the next two years as his government outdid the IMF in its target for a budget surplus and pushed up interest rates to help attract finance capital.

At Porto Alegre in 2005, Lula still drew a crowd, but his popularity had declined. A larger and more enthusiastic crowd was on hand to greet Hugo Chávez. The fact that crowds gathered to see both leaders spoke to the continuing importance of the nation–state and national politics. The fact that both leaders came to the forum spoke to the importance of both grassroots movements and international connections.

Are these the portentous events that Popo's eruption predicted? On one hand, Latin American history has always been about the conflicts and consensus between individuals and groups, leaders and followers, the local and the international. What makes the twenty-first century different, perhaps, is the way in which these groups can come together now that technology is collapsing time and space. How are we to understand a world in which even elderly indigenous women in the highlands of Guatemala, who still dress in traditional woven *traje*, now use cell phones?

Again it is García Canclini who offers a new paradigm for looking at the region—the confluence of citizenship and consumerism. He argues that the right of citizenship should be to decide how goods are produced, distributed and used. "... [W]hen we recognize that when we consume we also think, select, and re-elaborate social meaning, it becomes necessary to analyze how this mode of appropriation of goods and signs conditions more active forms of participation than those that are grouped under the label of consumption. In other words, we should ask ourselves if consumption does not entail doing something that sustains, nourishes, and to a certain extent, constitutes a new mode of being citizens."

It is disconcerting to move from citizen to consumer. But the idea of citizenship, he argues, must be reimagined under globalization. Latin Americans now feel rooted in a local culture—which is generally urban and encompasses the many nationalities and ethnicities of national migrants and international immigration. People travel with multiple passports or with no documents at all. "How can they believe themselves to be the citizens of only one country?" asks García Canclini.

If we now live in a world dominated by the market, why not reclaim what the market and the consumer mean? García Canclini points out that consumption is not just the elite preference to manifest class distinctions and live in luxury. Consumption is also at the heart of demands for wages, food, housing, health care, and education. Consumption is about meeting basic needs.

Oswaldo de Rivero, a former Peruvian diplomat, argues in *The Myth of Development* that basic needs and survivability must be the focus for Latin America in the future. He contends that Latin American countries are not

really developing countries, as economists sometimes euphemistically label them. Nor are they likely to become NICs, newly industrialized countries. De Rivero offers two other potential categories: NNEs, nonviable national economies, which may describe current conditions, or UCEs, ungovernable chaotic entities, which could describe the future. "This reality is an invitation to discard the myth of development, abandon the search for El Dorado, and replace the elusive agenda of the wealth of nations with an agenda for the survival of nations."

The search for El Dorado is, indeed, where Latin America's complicated history began. The struggle for the majority of Latin Americans to meet their basic needs is not a new one. It has, in fact, shaped Latin American history for hundreds of years. It is a history characterized by international pressures and national responses; by diversity and complexity within each nation; by conflict and consensus between and among classes, races, ethnicities, and genders; and by wealth in the midst of plenty, with poor people inhabiting rich lands.

RECOMMENDED READINGS

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