

# A Globalization Handbook



From The  
**Social Justice Alliance**

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“I hope we shall crush in its birth the aristocracy of our moneyed corporations, which dare already to challenge our government to a trial of strength and bid defiance to the laws of the country.”

—Thomas Jefferson, 1814

“I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign until all wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of the war.”

President Abraham Lincoln, Letter to Col.  
William F. Elkins, November 21, 1864

# I. Introduction: What is Globalization?

*“At the level of people, the system isn't working.”*

James Wolfensohn, World Bank President, 1999

Globalization is a rapidly growing phenomenon affecting almost every facet of our lives. At an abstract level of analysis, we can view globalization as an increasing transnational interconnectedness affecting all social domains – cultural, economic, political, legal, military and environmental – and leading to the de-territorialization and re-territorialization of social, economic, and political space. It is the reconfiguration of power relations, wherein power over locales and communities can be exercised by outside entities from a great distance<sup>1</sup>. The expansion of neoliberal capitalism, most notably in the form of the deregulation of nation-state financial and labor markets, has been the driving force behind this process. At another level – from our perspective as human beings and as global citizens – globalization *means* something entirely different. It is a process in which we have had little say in, as the mechanisms we had for voicing our support of or opposition to the institutions that govern us have been weakened or appropriated via corporate privatization. It means that we now have little or no control over the laws that govern us, our representatives in government, the source of our food and water, the nature of our work, our institutions of education, health, social security, and public works. It has also become a matter of life and death for U.S. soldiers who die fighting for “American interests and investments” abroad and for those who are on the other side of the gun; for those who starve due to ill-conceived agricultural policies, unsafe food and water, or the inability to access life-saving pharmaceuticals protected by corporate, intellectual property rights, in the name of profit; for those who are murdered while trying to unionize the factories of multinationals or who fight for democracy under repressive regimes backed by the U.S. and the multinationals who profit from them.

It is *this* type of globalization – the neoliberal, corporate-driven globalization that imposes capitalist profit logic upon all human relations and social organizations – that will be the focus of this handbook. The beneficiaries of this process have thus far been multinational corporations working in tandem with international lending institutions (e.g. the World Bank and the International Monetary Fund), the U.S. military, and U.S. foreign policy.

Neoliberal advocates claim that the same policies that increase corporate profits and capital accumulation will also eventually promote democratization and freedom. We in the global social justice movement believe that neoliberal globalization necessarily produces unsustainable development, job insecurity and displacement, growing socio-economic inequity, and the usurping of democratic control by multinational corporations and the financial institutions that support them. It is, in short, the continuation of a long history of colonialism and U.S. interventionism – a backdoor strategy of political control through military and economic domination. Indeed, what forms of democracy and freedom have arisen

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<sup>1</sup> See the work of David Held, Anthony McGrew, David Goldblatt, and Jonathan Perraton at <http://www.polity.co.uk/global/research.htm#backdrop> for this type of analysis.

in the wake of globalization have many times been the result of resistance movements opposing U.S.-backed neoliberal expansionism in Latin America, Southeast Asia, and the Middle East. We consider the rhetorical appropriation of these democratic achievements by advocates of neoliberal globalization as, therefore, akin to U.S. slavetraders taking credit for the civil rights movement.

Although we currently have a President who was not democratically elected by the American people and a Congress hamstrung by corporate campaign contributions, an active citizenry can still make a difference – it always has. Despite the continuing efforts of Attorney General John Ashcroft, we still have a greater opportunity to exercise civil liberties and democratic mechanisms in this country than in most of the countries discussed in this handbook. Indeed, as inhabitants of the country most forcefully propagating neoliberalism, our voice and collective action are all the more important in the struggle for global social justice.

The U.S. Congress is currently considering giving President Bush the authority (called “Fast Track” or “Trade Promotion Authority”) to sign on to the Free Trade Area of the Americas (FTAA), the largest trade agreement in history. The FTAA would create a single trade zone in the Western hemisphere (with the exception of Cuba), allowing multinationals to move financial investments and factories at will, regardless of the devastating socio-economic consequences to the people. The impact of the FTAA on the economies and social stability of Latin America and North America will be far-reaching, but the agreement itself has yet to be examined by the people who will be affected.

The purpose of this guide is to address this deficiency by promoting accurate and practical information on the FTAA and the process of globalization to which it contributes. What is now called “globalization” will be placed in the historical context of U.S. colonialism and imperialism. We will outline the institutions and agreements involved, define key terms, and provide a bibliography of web sites and organizations working on globalization issues. This, however, would be only half the picture. There is a global social movement underway – one of the most sophisticated and far-reaching social movements in history, which is struggling for democracy and social justice. We provide a short history on the movement, describe the people and organizations involved, and give resources for further information.

This handbook is brought to you by the Social Justice Alliance (SJA), yet much of its content was taken from organizations around the world that have worked for decades conducting research, analyzing obscure trade and legal documents, and organizing their communities. They have subsequently made the fruit of their labors available to us, the global citizenry. For their efforts, we give our deepest thanks. Acknowledgements and web references will be given throughout this handbook. We suggest you follow the links and journey beyond the bounds of this little booklet. The knowledge you gain will surely elicit both discouragement and empowerment – we suggest you focus upon the latter. The more we learn of the social, political, and economic conditions within which we live, the more effective we as agents of progressive social change will become – collectively participating in the creation of positive alternatives for that other world we know to be possible.

In Solidarity,  
Chad Kautzer  
Social Justice Alliance  
Stony Brook, New York

## II. How the West Won: The Imperialist Roots of Post-Industrial Capitalism

“[T]he Empire, to parody a celebrated expression, is commerce. It was created by commerce, it is founded on commerce, and it could not exist without commerce... The fact is history teaches us that no nation has ever achieved real greatness without the aid of commerce, and the greatness of no nation has survived the decay of its trade. Well, then, gentlemen, we have reason to be proud of our commerce and to be resolved to guard it from attack.”

—Joseph Chamberlin, British Colonial Secretary, 1896

From the “enlightened” perspective of the twenty-first century, we consider the time of imperialism, which spanned from the mid-1800s through the 1960s, to be an age beyond our moral comprehension. How could our ancestors, we think, have been so arrogant as to believe that they, as Rudyard Kipling phrased it in 1899, were possessed by a “white man’s burden” to enter what we now call “developing nations” to free them from their savage, unenlightened, pre-modern existence? To most of us, this perspective seems not only outdated and presumptuous but, more importantly, racist and ethnocentric. We consider our age to be well beyond the troubling time of imperialism, and to be working toward the goal of bringing democracy to the world. Delving deeper into the roots of imperialism, however, we find that the “duty” to enlighten “savages” was not the motor that drove imperialism; rather, it was financial interests, lightly veiled by the rhetoric of enlightenment and civilization, and the governmental sword that created and directed imperialist activities. And it is here that we can see a comparison with our own time.

The finance-driven nature of imperialist enterprises, cloaked in the rhetoric of enlightenment, differs little from contemporary capitalist enterprises in the developing world that work under the guise of democratization. From U.S. involvement in Latin America dating back to the mid-1800s, to the parceling out of the African continent by European powers in the later 1800s, to European and American control of Asia, we find the beginnings of capitalist-directed ventures in the developing world. As we will see, modern-day capitalist enterprises in the developing world are simply a contemporary example of imperialism on a much larger, albeit de-centered, scale.

Beginning with the Monroe Doctrine of 1823, the United States announced its right to police the Americas, as it disallowed European powers from attempting to reclaim parts of the Americas as colonies. In the 1890s, the sentiment of this doctrine was expressed in a form more recognizably imperialist, when the United States used it to support a revolution in current-day Panama against Colombian control of the region. They did so in order to secure a lease for a “canal zone” soon to become the Panama Canal. What was at stake in this dispute was not an idealist notion of freedom for a group of people; rather, the U.S. needed a regime to support its designs to build a canal that would soon come to be central to supporting American economic interests in the Caribbean. The U.S. also supported Cuban revolutionaries against the Spanish

government, as a friendly Cuban regime was necessary for the U.S. to capitalize on the \$50 million Americans had invested in Cuba, to U.S. economic interest in the Caribbean, and to the success of the canal. Both to support the Cuban revolutionaries and to gain control of Spanish-controlled Puerto Rico, the U.S. went to war with Spain. With their victory in 1898, the U.S. claimed Puerto Rico for itself and recognized Cuba's independence, though it maintained the right to intervene in Cuba should Cuba's activities threaten U.S. interests in the Caribbean.<sup>2</sup> Although far from an exhaustive list, these events provide us with a sense of the United States' emerging position as the economically-driven police force of the Americas.

And it is true that the motor-power of Imperialism is not chiefly financial: finance is rather the governor of the imperial engine, directing the energy and determining its work: it does not constitute the fuel of the engine, nor does it directly generate the power. Finance manipulates the patriotic forces which politicians, soldiers, philanthropists, and traders generate;...the final determination rests with the financial powers. – J.A. Hobson, Historian, 1938

While the U.S. was in the course of establishing itself as the police force of the Americas, European nations were tightening their stranglehold on the African continent. We need look no further than European imperialism to understand the overwhelmingly economic motivations, couched in the rhetoric of toting enlightenment and freedom across the globe to “uncivilized” peoples, for imperialism.

Between the 1840s and 1900, the majority of the African continent was partitioned into German, French, Portuguese, Italian, and British colonies. Some of these nations, such as Algeria, remained under European control until well into the mid-twentieth century. Rapidly industrializing European nations systematically plundered Africa in search of outside sources of capital and new economic enterprises such as diamond mining. European colonization of the majority of the African continent is a stark example of finance serving to direct imperialism.<sup>3</sup>

The Chambers of Commerce of the United Kingdom have unanimously urged the retention of East Africa on the grounds of commercial advantage...The ‘Scramble for Africa’ by the nations of Europe—an incident without parallel in the history of the world—was due to the growing commercial rivalry, which brought home to civilized nations the vital necessity of securing the only remaining fields for industrial enterprise and expansion. It is well, then, to realize that it is for our *advantage*— and not alone at the dictates of duty—that we have undertaken responsibilities in East Africa.

– Lord Lugard, British soldier and administrator, 1893

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<sup>2</sup> Colton, Joel and R.R. Palmer. *A History of the Modern World*. New York: McGraw-Hill, Inc., 1995; 651-653.

<sup>3</sup> Colton, Joel and R.R. Palmer, 662-669.

With its abundance of diamonds and gold, Africa served as prime hunting-ground for those nations interested in cheap, unregulated labor and unfathomable profits: British foreign investors, working through government-sponsored imperialism, made £100,000,000 in 1903 alone.<sup>4</sup>

While Latin America provided the U.S. with the means to protect its financial investments in the Caribbean and Africa provided European nations with cheap labor and a wealth of natural resources, Asia provided Europe with an abundance of opportunities to create trade markets for the goods produced by its rapidly industrializing nations. Between 1840 and 1914, Britain had systematically taken control of India, Burma (present-day Myanmar), Singapore, the Malay peninsula, British North Borneo, and Hong Kong, among others. France colonized Indochina (present-day Vietnam, Cambodia, and Laos); Germany controlled North Eastern New Guinea and the Marshall and Solomon islands; the Netherlands established the Dutch East Indies (Sumatra, Java, Celebes, New Guinea, West Timor, the majority of the island of Borneo, and western New Guinea); Portugal colonized East Timor and Macao; and the United States imposed its rule on the Philippines and Guam.

The Opium Wars waged by Britain against China are perhaps the clearest example of finance-directed imperialism working to create markets for European goods. Between 1839 and 1841, the British waged war against the Chinese to force the Chinese government to lift government-imposed restrictions on the British sale of Indian-produced opium in China. The British waged war against the Chinese again in 1857, this time with the help of the French. Using the two treaties which arose from these wars, the British forced the Chinese to open cities such as Shanghai as ports, imposed war indemnities on the Chinese government, and limited Chinese import duties on foreign goods to five percent.<sup>5</sup>

Although U.S. involvement in Latin America in the latter half of the 1800s put Latin America at the behest of U.S. economic interests, the European partitioning and plundering of Africa was more systematically imperialist. The British and French involvement in Asia, most notably in China, provides the clearest example of creating free trade markets in developing nations by violent means. Each of these programs, however, functioned to protect financial interests and used violence to do so, though in outwardly different ways.

As we will see in the discussion of the World Bank and the International Monetary Fund (IMF), the goals and strategies used by imperialist nations to establish and to protect their investments in their colonies parallel the purpose of and tactics used by these international lending institutions. Loria, an Italian economist, underscores the importance of loans for the “success” of nineteenth century imperialist strategies:

When a country which has contracted a debt is unable, on account of the slenderness of its income, to offer sufficient guarantee for the punctual payment of interest, what happens? Sometimes an out-and-out conquest of the debtor country follows...But more frequently the insufficient guarantee of an international loan gives rise to the appointment of a financial commission by the creditor countries in order to protect their rights and guard the fate of their invested capital. The appointment of such a commission literally amounts in the end, however, to a veritable conquest.<sup>6</sup>

It is important to note that while the debt is always public insofar as the people are affected by it, the credit is always private in that only a small few profit from the loan.<sup>7</sup> Imperialist nations often floated loans to developing nations only to swoop in for the figurative and literal kill when the crushing weight of the ensuing debt became unbearable. The most striking example of this strategy is Britain’s involvement in Egypt: in 1875, the British Prime Minister purchased forty-four percent of the stock in the Suez Canal from the almost bankrupt Egyptian khedive, thereby

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<sup>4</sup>Hobson, J.A., “The Economic Aspects of Imperialism,” (278-9) in *The European Past, Vol. II: Reappraisals in History Since Waterloo*. Eds. Shepard B. Clough, Peter Gay, and Charles K. Warner. New York: Macmillan Co., 1964; 278-292.

<sup>5</sup> Colton, Joel and R.R. Palmer, 669-681.

<sup>6</sup> Loria, quoted in Hobson, 280.

<sup>7</sup> Hobson, 280.

making Egypt a veritable protectorate of Britain and solidifying the British lifeline to its African and Asian colonies.

Government-sponsored imperialism came to a close between 1945 and 1970, as the last colonies in Africa gained their independence. Nonetheless, it was replaced by a more far-reaching and insidious form of imperialism, both directed and created by financial interests backed by powerful nations such as the United States.

By the end of World War II, the major economies of western Europe were left in shambles, while the U.S. economy was flooded with the profits of its war-time industries. Still, an inevitable decline in U.S. profits was visible on the horizon, as its wartime products were no longer in high demand. The U.S. was thus in a unique economic and political position. As one of the few, if not the only, major economic powers remaining, it had the political power to catalyze the creation of international financial institutions that would help it emerge as the economically dominant power of the world.

In 1944, the Bretton Woods Committee, composed of CEOs of large corporations, government officials, bankers, etc., from forty-four nations, formulated a plan to create two international lending institutions—the World Bank and the International Monetary Fund (IMF). In the rhetoric-laden terms of these institutions, their stated purpose was to ensure that the free flow of trade would remain stable by providing loans to developing nations to stave off possible currency crises and to promote economic development. In reality, however, their purpose was to create a system that would enable and protect foreign investment in developing nations. Both institutions received the majority of their funding from the United States.

1947 marked an important year for the future success of the World Bank and the IMF. First, these institutions gained further support for their project to open the world to corporate investment with the General Agreement on Tariffs and Trade (GATT). GATT worked to remove what the World Bank and the IMF viewed as tariff policies unfriendly to their attempts to open the world to foreign investment. Second, the Central Intelligence Agency (CIA) received its legislative charter when Congress passed the National Security Act. GATT provided the economic “freedom” necessary for carrying out the strategic plans of the World Bank and the IMF, and the CIA became their powerful ally.

We [the United States] have about 50 percent of the world's wealth, but only 6.3 percent of its population. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction. We should cease to talk about vague and unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better.

George Kennan, Head of State Department, 1948

The CIA's involvement in advancing corporate interests in the developing world is evident in many countries. In 1973, the CIA helped Gen. Augusto Pinochet, soon to become one of the world's most violent dictators, overthrow Chilean President Allende in order to protect \$1.1 billion in American investments from the social reforms Allende was in the process of developing.<sup>8</sup> In 1953, the CIA intervened in Iran to overthrow Prime Minister Mossadeq at the British government's request, since he had nationalized British Petroleum's Iranian oil company.<sup>9</sup> During the 1970s, the CIA undertook one of its biggest

<sup>8</sup> Kumar, Satish. *CIA and the Third World: A Study in Crypto-Diplomacy*. New Delhi: Vikas Publishing House PVT Ltd., 1981; 28.

<sup>9</sup> Zepezauer, Mark. *The CIA's Greatest Hits*. Tucson: Odonian Press, 1994; 10-11.

operations, investing between \$5 and \$6 billion to train and to arm guerilla and fundamentalist groups in Afghanistan for the sole purpose of dislodging the U.S.S.R. from the country.<sup>10</sup> Or in Guatemala in 1954: through an array of covert actions, the CIA overthrew then President Arbenz, as he threatened the investments of United Fruit Company by seizing large tracts of its land to remedy the fact that two percent of the population owned seventy percent of the land.<sup>11</sup> Or again in Indonesia in 1967: the United States' support of Indonesian General Suharto's military coup in 1967, which resulted in 500,000 deaths, positioned Southeast Asia "to fulfill its major function as a source of raw materials and a market for Japan and Western Europe," as per the State Department's 1949 vision.<sup>12</sup> Between 1979 and 1981, 30,000 were massacred by the U.S.-backed El Salvadoran government as it suppressed "communist" rebels.<sup>13</sup>

This is, of course, only a partial list. Let us not forget the U.S. training of Colombian paramilitary troops from the 1990s through the present day to protect oil interests, CIA interventions in Congo (present-day Zaire) throughout the 1960s to shore up American investments in copper and aluminum, the Gulf War waged to protect American oil interests in the Middle East, among many, many others. Economic interests have worked hand-in-glove with government programs for "democratization" to solidify and to protect investments in the developing world, a program that, though distant in time from classic imperialism, remains its contemporary equivalent.

—Caroline Arruda, Social Justice Alliance

### III. Globalizing Institutions

*"There never was economic evidence in favor of capital market liberalization. There still isn't. It increases risk and doesn't increase growth. You'd think [defenders of liberalization] would say to me by now, 'You haven't read these 10 studies,' but they haven't, because there's not even one. There isn't the intellectual basis that you would have thought required for a major change in international rules. It was all based on ideology."*

Joseph Stiglitz, former Chief Economist of the World Bank

The rightful focal points of the global social justice movement have been the so-called Bretton Woods institutions: The World Bank, the International Monetary Fund, and the General Agreement on Tariffs and Trade (or GATT)—now embodied in the World Trade Organization. These institutions represent the "Washington Consensus," a simplistic neo-liberal blueprint of macroeconomic theories, propagated by the G8 (the U.S., U.K., Japan, Germany, France, Canada, Italy, and Russia). Through the use of Structural Adjustment Programs (SAP), the IMF and World Bank are able to dictate domestic policy in debtor nations,

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<sup>10</sup> Zepezauer, 76-7.

<sup>11</sup> Kumar, 59.

<sup>12</sup> Chomsky, Noam. East Timor. *The Chomsky Reader*. Ed. James Peck. New York: Pantheon Books, 1987;303-311.

<sup>13</sup> Chomsky, Noam. El Salvador. *The Chomsky Reader*. Ed. James Peck. New York: Pantheon Books, 1987;339- 350.

creating a more profitable venue for multinationals and speculative financiers, while disregarding the needs and rights of average citizens.

The policies of these institutions had for the most part slipped under the mainstream radar screen until 1994. That year marked the 50<sup>th</sup> anniversary of the IMF and World Bank, the holding of the so-called Uruguay Round of GATT that produced the WTO, the enactment of NAFTA, the beginning of the FTAA negotiations, the launching of the Zapatista rebellion in Mexico, and the beginning of the dissident umbrella organization, "50 Years Is Enough."

In the interim eight years, we've seen the Mexican Peso Crisis of 1995 as well as the financial crises of East Asia, Russia, and Brazil in 1997 and 1998. We are witnessing the same phenomena today in Turkey and Argentina. These crises were instigated in large part by the deregulation of the financial markets by speculators hoping that a devaluation in the domestic currency would make exports more profitable. Total market values have been allowed to fluctuate as much as 40% in a single day, creating economic chaos. The eventual crash opens the door to IMF and World Bank loans—with strings attached. The conditions for loans include the privatization of public industry, the privatization of the public sector (including schools, healthcare, social security, prisons, etc.), the devaluation of domestic currency, the lowering or elimination of corporate taxes, and public sector wage-cuts.

— Chad Kautzer, Social Justice Alliance

## **A. The World Bank**

### **The World Bank's Financial Components**

<http://www.50years.org/factsheets/structure.html>

The World Bank Group has four financial arms: the International Bank for Reconstruction and Development (IBRD, also known as the "World Bank"), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Insurance Guarantee Agency (MIGA). After the debt crisis, the World Bank Group became the primary source of governmental loans to the developing world. However, in the past few years, the amount of private investment has dramatically increased in the World Bank Group.

**The International Bank for Reconstruction and Development** was founded in 1946 as a way to finance reconstruction projects in war-ravaged countries despite their poor creditworthiness. The IBRD gets its money from regular subscriptions paid by member governments and by borrowing money on international markets (through selling World Bank bonds). The Bank then lends that money to borrowing governments at a lower rate than commercial banks would. Although the IBRD still concentrates on development it operates primarily in mid-middle-income developing countries; in Financial Year 1994, the IBRD was funded at about \$17 billion.

The IBRD offers loans to developing country governments for a variety of undertakings: Sectoral loans support reform or infrastructure improvement in a specific economic sector, i.e., mining, transport, energy, banking, etc.; project loans support the completion of a specific project, such as a dam, highway or power plant; and macroeconomic loans assist governments in achieving the economic objectives detailed in a structural adjustment program (more on structural adjustment programs, below). IBRD loans can cover the entire cost of a project, but Bank credit attracts many other sources of financing, especially from the private sector. Recently, the Bank has also started offering support for private investors themselves, in an effort to attract development money to Southern countries. Finally, IBRD also offers a host of technical assistance programs to its developing country members for "capacity building" and "technology transfer." Technical assistance can be given in areas such as privatization of state owned entities, developing banking systems and domestic capital markets, as well as creating a regulatory framework for foreign direct investment.

To be eligible for IBRD loans, governments must be a member of the World Bank, and comply with Bank-imposed Structural Adjustment Programs (SAPs), which have been severely criticized by NGOs worldwide as an unnecessarily harsh set of macroeconomic policies. SAPs are aimed at reducing government budget deficits by decreasing government expenditure (particularly on social programs), increasing export production, privatization, and liberalizing trade and investment policies. The purpose of these reforms is to help countries become more economically robust, creditworthy and able to pay off its debts. These policies are prerequisites for loan eligibility and often include provisions for reduced government spending on social services. The Bank offers advice and loans to help implement SAPs.

## B. The International Monetary Fund (IMF)

### **The IMF and Corporate Welfare**

**<http://www.50years.org/factsheets/corpWelfare.html>**

#### **Disempowering Governments and Strengthening the Hand of Multinationals**

The International Monetary Fund (IMF) is an international financial institution in charge of promoting free trade and exchange and overseeing the global economy, with the goal of mitigating macroeconomic problems such as large trade and budget deficits. The IMF is a secretive institution that has been especially successful in avoiding accountability for its failed policies and programs, including its policies which benefit large foreign investors and transnational corporations.

#### **How exactly does the IMF provide corporate welfare?**

Enhanced Structural Adjustment Facility (ESAF): For developing countries with macroeconomic problems such as rampant inflation, poor trade performance, and high indebtedness, the IMF offers ESAF loans, which are low interest, medium term (5-10 years) loans. According to the IMF, these concessional loans provide financing to help a country meet its obligations in the short run, while in the long run, the economic policy measures attached to ESAF loans will restructure a developing country's economy and pave the way for long term economic growth.

These economic policy measures are conditions of the loan, and are largely imposed on the developing country by the IMF (and World Bank). Failure to fulfill the conditions results in delays or cancellation of the loan program. The reality of ESAF is that cash-strapped developing countries desperate for money are forced to adhere to strict austerity programs. Instead of paving the way for long term growth, ESAF has benefited rich elites and companies in the export sector, while increasing poverty and accelerating environmental degradation.

IMF and ESAF conditions typically involve rapidly removing trade barriers, increasing exports to earn hard currency for debt service, and promoting foreign investment through privatization and deregulation of labor and environmental laws. As a result of IMF conditionality, multinationals can then enter developing country markets, displacing nascent small and medium sized businesses. Their entry is facilitated by export promotion policies such as tax breaks and subsidies, by bargain basement privatization sales, and by the lowering of wages through labor market deregulation. Governments are effectively forced to adopt these policies to meet the IMF's strict economic performance requirements.

IMF policies and conditions are largely formulated by the G-7 countries, which make up a large portion of voting and influence at the IMF. Voting power at the IMF is determined by the size of a member's economy, and the G-7 dominates the institution. IMF policies therefore foster the interests of the world's richest countries while under-representing the world's poorest. G-7 corporations benefit from the influence they hold with their governments and consequently with the IMF.

New Arrangements to Borrow (NAB): The New Arrangements to Borrow (NAB) and the General Arrangements to Borrow (GAB) are a set of emergency credit lines provided to the IMF by the world's richest countries (primarily the G-7) in the event of a global financial crisis. NAB and GAB can be used when a country faces a serious liquidity crisis and is unable to meet its obligations, such as paying holders of government bonds, as in the Mexican crisis. NAB and GAB in effect support Wall Street investment bankers and speculators by loaning governments money to prop up interest rates and pay these investors and speculators who freely buy up foreign government notes and bonds. The IMF encourages this type of uncertain speculation by Wall Street through its anti-inflation policies that contract the money supply and drive up interest rates, and through its trade promotion policies that remove investment, exchange, and trade barriers for all investors. While the IMF supports Wall Street, it expects taxpayers from rich countries to finance this speculation when it goes awry. Through this credit line, the IMF bears no accountability for its failed and secretive lending programs.

## C. World Trade Organization (WTO)

*"We are writing the constitution of a single global economy."*

—former WTO Director, General Renato Ruggiero

*"It was utterly outrageous. Wealthy countries exploited their power to spin the agenda of big business. The issue of multinational corporations as a cause of poverty was not even on the agenda; it was like a conference on malaria that does not discuss the mosquito."*

—Mark Curtis, Christian Aid's head of policy,  
about the WTO meeting in Qatar 2001

Established in 1995, the World Trade Organization (WTO) is a powerful new global commerce agency, which transformed the General Agreement on Tariffs and Trade (GATT) into an enforceable global commerce code. The WTO is one of the main mechanisms of corporate globalization. Under the WTO's system of corporate-managed trade, economic efficiency, reflected in short-run corporate profits, dominates other values. Decisions affecting the economy are to be confined to the private sector, while social and environmental costs are borne by the public.

<http://www.citizen.org/trade/wto/index.cfm>

## **History of WTO:**

**[http://www.canadians.org/campaigns/campaigns-trade/pub-gats\\_primer.html](http://www.canadians.org/campaigns/campaigns-trade/pub-gats_primer.html)**

To understand how our governments could be negotiating away our most basic rights when almost no one knows about it and no one voted for it, it is necessary to go back to the origins of the world trade system. In 1947, a new trade body - the International Trade Organization - was created with a very different mandate than the WTO. The ITO was to promote orderly global trade under the jurisdiction of the UN and within its social mandate, including full employment and all of the human and social rights guaranteed by the UN's Universal Declaration of Human Rights and its accompanying Covenants. The new ITO even had the right to regulate transnational capital to ensure it served these social ends.

But the ITO was killed by the U.S., intent on building a different global trade and investment regime based on fewer, not more, regulations. Instead, the U.S. created the GATT and removed it from the jurisdiction of the UN. Since the formation of the GATT in 1947, there have been eight "rounds" of negotiations. The first six rounds concentrated exclusively on tariff (border taxes) reductions and the growing power of the GATT went largely unnoticed by civil society.

But the seventh "Tokyo Round" (1973-1979) coincided with the emergence of the so-called "Washington Consensus" - a global economic model based on the principles of privatization, free trade and deregulation - and the rise of giant transnational corporations who, because they were now global operations, had escaped nation-state regulations and wanted international deregulation as well. These included giant service corporations eager to get their hands on government monopolies, particularly in the social services sectors.

For the first time, the GATT began to deal in "non-tariff barriers" which are rules, policies and practices of governments, other than tariffs, such as environmental laws and publicly-funded social programs, that can impact on trade. The Uruguay Round of negotiations (1986-1994) expanded the scope of subjects dramatically, naming services for the first time, and covering many areas not normally associated with trade. Suddenly, it became clear to many NGOs, social justice advocates and environmentalists that, while they had been busy with their own governments and the UN, much of the power in their areas had shifted to global trade regimes.

From the outset, the WTO was crafted like no other international agency. The architects of the final agenda for the Uruguay Round wanted to put in place a body of rules governing the global economy and needed to be equipped with powers and tools of a global government. Unlike the GATT, which was effectively a business contract between nations, the WTO was given "legal personality." It has international status equivalent to the United Nations but with the addition of having enormous enforcement powers.

Unlike any other global institution, the WTO has the legislative and judicial power to challenge the laws, practices and policies of individual countries and strike them down if they are seen to be too trade restrictive. The WTO contains no minimum standards to protect labour, human rights, social or environmental standards; every single time (but one) the WTO has been used to challenge a domestic health, food safety, fair trade or environmental law, the WTO has won. Over the past six years, the operations of the WTO show that it has become the most powerful, secretive, and anti-democratic body on earth, rapidly assuming the mantle of a global government and actively seeking to broaden its powers and reach.

## D. Structural Adjustment Programs

<http://www.foreignpolicy-infocus.org/briefs/vol3/v3n3sap.html>

Throughout the 1980s and 1990s the U.S. has been a principal force in imposing Structural Adjustment Programs (SAPs) on most countries of the South. Formulated as loan conditions by Northern governments and the International Financial Institutions (IFIs), SAPs mandate macroeconomic policy changes that obligate recipient nations to liberalize their trade and investment policies.

### *Key Points*

- The U.S. leverages its dominant role in the global economy...to impose SAPs on developing countries and open their markets to competition from U.S. companies.
- SAPs are based on a short-term, profit-maximization model that perpetuates poverty, inequality, and environmental degradation.
- Social safety nets and good governance reforms do not compensate for the serious flaws that SAPs introduce by deregulating laws and diminishing the state's capacity to protect the welfare of its citizens.

Though reduction of world poverty is proclaimed as a major goal of U.S. and multilateral lenders, SAP policies hit poor people hardest. Increased unemployment and decreased government services are the most direct blows, but changes in the tax system often emphasize easy-to-collect, regressive sales taxes that also disproportionately affect the lower classes. Tightened credit requirements and higher interest rates make it virtually impossible for small farmers and businesses to invest.

The liberalization of trade does make imported items less expensive, but most people in low-income countries consume little besides basic necessities.

### ***Key Problems***

- SAPs are broadly imposed on nearly all developing countries, while the North only selectively adheres to its own neoliberal principles.
- SAPs may achieve nominal GDP growth, but it is growth based on unsustainable resource extraction and the exploitation of cheap labor.
- Elites and foreign investors often benefit from tax breaks and production incentives, while the domestic economy contracts dramatically, along with the jobs that support the lower and middle classes.

## IV. Trade Agreements

“Congress shall have the power to... regulate commerce with foreign Nations.”  
—U.S. Constitution, Article I, Section 8

### A. Fast Track/Trade Promotion Authority

(See <http://www.citizen.org/trade/fasttrack/truth/>)

Fast Track is a mechanism that delegates away to the Executive Branch this congressional authority for setting trade terms as well as other powers. In one lump sum, Fast Track:

- Delegates Congress' constitutional authority to decide terms for international commerce at negotiations. Congress includes a list of “negotiating objectives,” but these are not enforceable.
- Permits the Executive Branch to lock down these trade terms and enter into pacts, because under Fast Track the Administration signs trade deals before Congress ever votes on them.
- Empowers the Executive Branch to write implementing legislation to change federal laws to make them conform to an agreement's terms (usually Congress writes law, but Fast Track circumvents the congressional committee process of mark ups, etc.)
- Presets the floor procedures for final consideration of trade deals before negotiations start. Congress must vote on whatever the Administration brings back (agreement and implementing legislation) within a set time, with no amendments and only twenty hours of debate.

AFL-CIO: Stop Fast Track

Tell your members of Congress that working families need fair and balanced trade that protects people and the environment ~~NOT~~ Fast Track.

Call your legislators toll-free at 1-800-393-1082

### B. North American Free Trade Agreement (NAFTA)

“Citizens beware. An unprecedented corporate power grab is underway in global negotiations over international trade.”

—Ralph Nader, “Free Trade and the Decline of Democracy,” 1993

The North American Free Trade Agreement (NAFTA) is a regional trade agreement among the governments of Canada, Mexico, and the United States traces its beginnings from many paths. One early dating goes back to the 1979 Trade Act which called for study on the possibility of a free trade area around the Americas. Throughout the 1980s, economic problems, including heavy international debt burdens, precluded trade liberalization policies in Mexico. U.S. trade negotiations turned north, and by 1989 a U.S.-Canada Free Trade Agreement (FTA) had been negotiated, signed, and implemented.

Using the FTA as a starting point, the Bush administration once again began seeking a southern link in the North American trade equation, and in 1990 they reached agreement with the Mexican government to pursue the negotiations. Canada joined the negotiations, and by late 1992, the North American Free Trade Agreement was completed, allowing for signature by year's end.

The Clinton administration assumed office in January of 1993, already on record as supporting Congressional ratification of NAFTA. In November of 1993, Congress passed the North American Free Trade Agreement (NAFTA) despite widespread popular opposition. Several weeks before the 1993 vote, opponents of NAFTA had gathered a slim majority of the votes. Yet NAFTA ultimately passed. At the time numerous press reports documented deals—many unrelated to NAFTA—that the Clinton Administration had made with individual Members of Congress and groups of Members to obtain their votes to pass NAFTA. NAFTA entered into force on January 1, 1994.

<http://environment.about.com/library/weekly/aa092197.htm>

Since its adoption in 1994, the North American Free Trade Agreement has not led to the creation of more jobs in the United States, as promised by the Clinton Administration and the business community. In fact, the figure below shows that all 50 states and the District of Columbia have experienced a net loss of jobs under NAFTA. The increase in exports are offset in every state by a larger loss of jobs due to an increase in imports. Net job loss figures range from a low of 395 in Alaska to a high of 44,132 in California. Other hard-hit states include Michigan, New York, North Carolina, Indiana, Pennsylvania, Ohio, Texas, Tennessee, Illinois, Georgia, Florida, Alabama, New Jersey, and Missouri, each with more than 10,000 jobs lost.

Several states, notably Arkansas, Michigan, North Carolina, Indiana, Tennessee, Kentucky, and Rhode Island, experienced job losses disproportionate to their share of the overall U.S. labor force. These states have high concentrations of industries (such as motor vehicles, textiles and apparel, and computers and electrical appliances) of which a significant amount of production has moved to Mexico.

As for NAFTA's impact on workers' wages, even when displaced workers are able to find new jobs in the growing U.S. economy, they face a significant reduction in wages. Their new jobs are likely to be in the service industry, the source of 112% of net new jobs created in the U.S. since 1993, where average compensation is only 77% of that of the manufacturing sector.

Source: EPI Analysis of U.S. Census Trade Data; *State of Working America 1998-99* (See Economic Policy Institute <http://epinet.org/>).

There are approximately 1,000 Free Trade Zones in the world, spread throughout seventy countries, countries such as the Phillipines, China, Indonesia, Sri Lanka, and Mexico, and employing roughly 27 million people.<sup>14</sup> The World Trade Organization estimates that between \$200 and \$250 billion worth of trade flows through the zones. The zone is a tax-free economy; there are no import or export duties and often no income and property taxes. It is sealed off from the surrounding local and national governments. The workplace is usually not even a factory: it often consists of workshops or sheds made of cheap plastic and aluminum siding, crammed next to each other. The workday in these zones is long, usually twelve to sixteen hours, and most workers are young women. The management is military-style, the supervisors often abusive, the wages below subsistence, and the work low-skill and tedious. The contracts come and go without notice, offering no job security.

The free-trade factories along the U.S.-Mexico border are called “maquiladoras,” from “maquillar,” Spanish for “to make up or assemble.” These factories import components and raw materials duty-free, and re-export the finished product to the U.S.; this movement avoids contributing at all to the Mexican economy.<sup>15</sup> The taxes and duty the factories pay are low or non-existent, there are few labor and environmental regulations to follow, and the cost of labor is extraordinarily low. On average, the workers earn between \$0.80 and \$1.25 an hour, and they are often unaware of their rights under Mexico’s labor code. About 1.3 million people were employed in Mexico in 2000 in about 4,000 maquiladoras. Many of these are girls and young women from fourteen to twenty years old, who work six days a week in ten-hour shifts with few breaks. Working conditions are often hazardous, and industrial accidents and toxic exposures are common.

It is in the lives and experiences of women that we can see much of the negative effects of economic globalization, which is rapidly incorporating women from developing countries. Women are desirable employees because they are viewed to be more docile and less likely to be involved in labor movements. They are often mistreated by management, suffering both physical and emotional abuse. Women in most maquiladoras are given pregnancy tests as a precondition of hire, and are tested at random throughout their employment and questioned about their sexual activity, contraceptive use, and menstruation cycle. They are also intimidated by threats of job loss on the part of their employers, who can always find a cheaper and more compliant labor force elsewhere. Job insecurity translates into job loss when local labor standards rise, when labor becomes cheaper elsewhere, or when tax holidays for corporations run out. But neoliberal economics refuses to consider the oppressive aspects of its policies, and thus perpetuates systematic neglect of the contributions women workers make to the global economy.

—Shannon Hoff, Social Justice Alliance

### Landmark Study Shows Mexican Maquiladora Workers Not Able to Meet Basic Needs on Sweatshop Wages

See this report at the Coalition for Justice in the Maquiladoras webpage:  
[http://www.iccr.org/issue\\_groups/accountability/wagestudy1.htm](http://www.iccr.org/issue_groups/accountability/wagestudy1.htm)

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<sup>14</sup> Most of the information in this essay is taken from Klein, Naomi. *No Logo*. New York: Picador, 1999, p. 205.

<sup>15</sup> Most of the following information is taken from <http://www.globalexchange.org/education/california/DayOfTheDead/maquiladoras.html>

[http://www.iccr.org/issue\\_groups/  
accountability/wagestudy1.htm](http://www.iccr.org/issue_groups/accountability/wagestudy1.htm)

**Why should your company share production with Mexico?**

- Remain competitive by reducing direct labor costs.
- Avoid the cost and burden of mandated government programs, including worker's compensation.
- Stay in close proximity to your low-cost, foreign manufacturing facility.
- Limited availability of quality labor.
- **Your competitors manufacture in Mexico.**  
—Advertisement, North American  
Production Sharing Inc., Del Mar, CA  
(<http://www.napsmexico.com/>)

## C. NAFTA's Chapter 11 on Investment

<http://www.canadians.org/campaigns/campaigns-trade/pub-ftaa-bigbrother.html>

One chapter of NAFTA, Chapter 11, deals explicitly with investment (rather than trade), and most importantly includes a mechanism for dealing with “investor-state” disputes. These are disputes between corporations and governments, and it is this mechanism in Chapter 11 that makes NAFTA unique among trade agreements. The failed Multilateral Agreement on Investment—the MAI—contained a similar provision, and it was one of the MAI’s provisions that provoked such widespread public opposition. The primary focus of NAFTA’s investment provisions is to limit governments’ capacities to enhance or support environmental, health and other public values in the face of commercial interests.

The investor-state dispute mechanism allows foreign corporations to sue governments directly whenever they think their “rights” have been violated by a particular government measure. Ostensibly, the NAFTA provision was intended to secure foreign investors from outright expropriation and government harassment of foreign companies in the interests of their domestic companies. But in practice it has gone much further.

Key to the investor-state provision is NAFTA’s extremely broad definition of “expropriation.” By narrow legal definition, “expropriation” means the actual “taking” of private property, almost always land. But a well-organized effort by corporations in the U.S. during the Reagan era led to a series of Supreme Court decisions that expanded this narrow legal definition to include what is now called “regulatory taking.” This Fifth Amendment definition now includes any government regulatory action (law, regulation, rule, or policy) that reduces the commercial value of an investment or its expected profit—including future profits. This new definition of expropriation has found its way into NAFTA’s Chapter 11.

In effect, Chapter 11’s dispute settlement provisions give foreign corporations the right to *directly enforce an international treaty signed by sovereign governments*, under which the corporations have absolutely no obligations. This underlines the fact that these trade agreements are primarily aimed at restricting governments from regulating or controlling corporations. These suits, whose decisions go to the heart of government policy-making and national sovereignty, are treated exactly as if they are narrow, contractual disputes between commercial enterprises. Thus they are shrouded in complete secrecy from the beginning of the process to the end.

Because they are presumed to be simply about commercial matters, they explicitly exclude from the proceedings any other public interests potentially affected by the case. Tribunals are not even obliged to publicly announce their decisions. Governments do not have the right to appear at these star chamber events to defend the laws and regulations that are being challenged, but have to ask for “intervener” status if they wish to present arguments. Decisions are made not by judges of the domestic judicial system (who are obliged to take account of the broad public interest), but by a tribunal of trade arbiters who are naturally biased in favor of facilitating trade. Most are trade lawyers, often with firms that serve corporate clients. While their decisions may have a profound effect on health and environmental matters, the tribunal members have no expertise in any area other than trade law. The country being sued chooses one of the tribunal members, as does the country that is the home base of the challenging corporation. The third member is mutually agreed to or appointed by an arbitration body.

There is no way of knowing how many Chapter 11 challenges have actually been launched. But the ones that have been made public—usually by the company making the claim—number fifteen. Each has in common a challenge to a democratically proclaimed law or regulation passed in the public interest. And even if the measure is acknowledged to be in the public interest, compensation is mandatory if it is deemed by a tribunal to be “inconsistent” with NAFTA.

## **D. General Agreement on Trade in Services (GATS)**

Taken from "A GATS Primer" by Maude Barlow (<http://www.canadians.org/>).

The General Agreement on Trade in Services is one of the more than 20 trade agreements administered and enforced by the WTO. The GATS was established in 1994, at the conclusion of the "Uruguay Round" of the GATT—the General Agreement on Tariffs and Trade—and was one of the trade agreements adopted for inclusion when the WTO was formed in 1995. Negotiations were to begin five years later with the view of "progressively rising the level of liberalization." These talks got underway as scheduled in February, 2000, chaired by Canada's Ambassador to the WTO (and former International Trade Minister) Sergio Marchi. The common goal of Europe, the U.S., and Canada is to reach a general agreement by December, 2002. The mandate of the GATS is the liberalization of trade in services and the gradual phasing out of government "barriers" to international competition in the services sector. It is what is called a "multilateral framework agreement," which means that its broad commission was defined at its inception and then, through permanent negotiations, new sectors and rules are to be added.

Essentially, the GATS is mandated to restrict government actions in regard to services through a set of legally binding constraints backed up by WTO-enforced trade sanctions. Its most fundamental purpose is to constrain all levels of government in their delivery of services and to facilitate access to government contracts by transnational corporations in a multitude of areas, including public health and education.

## E. *Maquiladoras*/Free Trade Zones (FTZs)

“‘Why does it exploit [the Mexicans]?’ ...Nobody’s enslaved a Mexican. People make choices to work for wages which they are better off with than the alternatives. I don’t think broadening my choices is exploiting.”

—Harvard President Lawrence Summers (then deputy secretary of the treasury, speaking on NAFTA and the *maquiladora* system)

From [http://www.acerca.org/plan\\_pueblo\\_panama.html](http://www.acerca.org/plan_pueblo_panama.html):

Plan Puebla Panama (PPP) is a mega-project that seeks to open up the southern half of Mexico and Central America to private foreign investment, establishing the foundation for the Free Trade Area of the Americas (FTAA). The plan depends upon multi-lateral development bank support and private investment to create infrastructure that will attract industry and expand natural resource extraction. With the Inter-American Development Bank as the head of the PPP’s financial structure, and major credit and technical assistance coming from the International Monetary Fund and World Bank, among others, controversial projects have already begun.

This is the first step in the latest push to globalize the Americas, with the end goal of incorporating all of the Western Hemisphere (except Cuba) under the FTAA. Essentially the PPP will create development corridors from the nine southern Mexican states of Puebla, Veracruz, Oaxaca, Chiapas, Tabasco, Campeche, Yucatan, and Quintana Roo through the most southern Central American country of Panama. The PPP will create an elaborate infrastructure of ports, highways, airports, and railways aimed to connect the development of the petroleum, energy, *maquiladora*, and agricultural industries. While the PPP’s proponents assert that its main objective is to improve the quality of life for area inhabitants, critics of the Plan see it as an attempt to exploit the abundant, cheap labor force and precious natural resources in order to attract foreign investment eager to reap the benefits of an area stricken with poverty and rich in bio-diversity.

*Maquiladoras*, factories in which low paid workers assemble import component parts for re-export, will be strategically placed throughout the region to attract the 50% of the population in the nine states that make less than the regular hourly wage of \$1.90/hr (1999). Since Southern Mexico is home to 714 of the nations’ 850 poorest municipalities (National Council of Population (CONAPO)), the Fox administration hopes to use this comparative advantage to compete with the *maquiladora* industry in Asia. In fact, this year alone has seen the creation of 92 *maquiladoras* in the region where employers can count on wages that are 30%-40% lower than those in the northern half of the country. Labor activists contend that the PPP hopes to create mass migration to areas concentrated with *maquiladoras* where transnationals have historically paid unlivable wages. International trade law and unilateral corporate agreements include loopholes that exempt transnational corporations from national labor and environmental laws. Critics conclude that the lack of environmental and labor regulations, coupled with unlivable wages, will guarantee that transnational corporations reap the benefit while the social and cultural fabric of small communities is dismantled.

## **G. Free Trade Area of the Americas (FTAA)** **Area de Comercio Libre de las Am ericas (ALCA)**

“The day is not far distant when three Stars and Stripes at three equidistant points will mark our territory: One at the North Pole, another at the Panama Canal, and the third at the South Pole. The whole hemisphere will be ours in fact as, by virtue of our superiority of race, it already is ours morally.”

—President William Howard Taft, 1912

The Free Trade Area of the Americas (FTAA), currently being negotiated by 34 countries of the Americas, is intended by its architects to be the most far-reaching trade agreement in history, incorporating a population of 800 million and a combined GDP of \$11 trillion (US). Although it is based on the model of the North American Free Trade Agreement (NAFTA), it goes far beyond NAFTA in its scope and power. The FTAA, as it now stands, would introduce into the Western Hemisphere all the disciplines of the proposed services agreement of the World Trade Organization (WTO)—the General Agreement on Trade in Services (GATS)—with the powers of the failed Multilateral Agreement on Investment (MAI), to create a new trade powerhouse with sweeping new authority over every aspect of our lives.

The FTAA was launched by the leaders of 34 countries of North, Central, and South America and the Caribbean at the December 1994 Summit of the Americas in Miami, Florida. At that meeting, then President Bill Clinton pledged to fulfil former President George Bush’s dream of a free-trade agreement stretching from Anchorage to Tierra del Fuego, linking the economies of the hemisphere as well as deepening social and political integration among the countries based on the same free-market model as NAFTA.

However, little real progress was made until the next Summit of the Americas, this one held in Santiago, Chile, in April 1998, at which time the countries set up a Trade Negotiations Committee (TNC) consisting of the vice ministers of trade from each country.

With support from a Tripartite Committee made up of the Inter-American Development Bank, the Organization of American States, and the UN Economic Commission for Latin America and the Caribbean (ECLAC), nine Working Groups were established to deal with the major areas of negotiations: services; investment; government procurement; market access (covering tariffs, non-tariff measures, customs procedures, rules of origin, standards and technical barriers to trade); agriculture; intellectual property rights; subsidies, anti-dumping and countervailing duties; competition policy; and dispute settlement.

As well, three non-negotiating special committees were established to deal with the issues of smaller economies, civil society, and electronic commerce. These committees and working groups have been meeting with increasing frequency throughout 1999, 2000, and the early part of 2001, regularly bringing over 900 trade negotiators and mountains of material to Miami where most of the meetings take place.

From the beginning, the big corporations and their associations and lobby groups have been an integral part of the process. In the U.S., a variety of corporate committees advise the American negotiators and, under the Trade Advisory Committee system, over 500 corporate representatives have security clearance and access to FTAA negotiating documents. At the November 1999 ministerial meeting in Toronto, the Ministers of Trade of the Americas agreed to implement 20 “business facilitation measures” within the year in order to speed up customs integration.

One of the tasks of the negotiators is to compare and consolidate the key components of a variety of trade and investment agreements throughout the area, including:

- NAFTA - a free trade and investment agreement between Canada, the U.S. and Mexico
- MERCOSUR - a common market of the Southern Cone countries of

- Brazil, Argentina, Paraguay and Uruguay
- The Andean Pact
- Caricom - the Caribbean Community

As well, a number of Bilateral Investment Treaties (BITS) have been signed between individual countries, based on the “investor-state” model of NAFTA, whereby corporations can directly sue governments for alleged property rights violations without first involving their own governments.

There are some differences among these pacts and agreements. MERCOSUR’s goal, for example, is to become a common market, whereas NAFTA has not attempted to establish common labour standards among its three members and the U.S. clearly would not tolerate the free movement of labour from Mexico. And MERCOSUR does contain some social provisions and programs for displaced workers that are absent from NAFTA.

But the similarities between these treaties far outweigh the differences. Both NAFTA and MERCOSUR include measures to deregulate foreign investment and grant national treatment (non-discriminatory) rights to foreign investors. Both prohibit “performance requirements” whereby foreign investment must enhance the local economy and support local workers. And both are based on a model of trade and investment liberalization that locks in the Structural Adjustment Programs (SAPs) introduced earlier into Latin America by the World Bank and the International Monetary Fund (IMF). Under these programs, most developing countries were forced to:

- abandon domestic industry in favor of transnational corporate interests
- turn their best agricultural lands over to export crops to pay off their national debt
- curtail public spending on social programs and abandon universal health care, education and social security programs
- deregulate their electricity, transportation, energy and natural resources sectors
- remove regulatory impediments to foreign investment

Tensions of leadership exist in the negotiations. Since 1995, the U.S. Administration has been unsuccessful in obtaining renewal for its “fast-track” legislation, which basically authorizes Congress to adopt free trade agreements in full. This has given Brazil, the undisputed economic leader in Latin America, the opportunity to challenge U.S. supremacy in the negotiations and bid to lead the process of economic integration of the Americas.

As well, the encroachment of the business community of the European Union into Latin America, especially in banking, telecommunications, automobiles, and consumer products, has served as a catalyst for the United States to reassert its leadership in the hemisphere. The EU has been intensifying its presence in the region, negotiating individual free trade and investment agreements with countries such as Chile, Mexico and Brazil. The U.S. is counting on the successful completion of the FTAA to maintain the dominance of its corporate sector in the region.

Further pressure has been placed on obtaining a successful FTAA in light of the defeat of the Multilateral Agreement on Investment (MAI) at the first ministerial meeting of the WTO in 1996, the Organization for Economic Cooperation and Development (OECD) in 1998, and the shut-down of the “Millennium Round” meeting of the WTO in Seattle in December 1999. In fact, WTO officials are finding it difficult to even secure a venue for a new Ministerial meeting. As well, APEC—the Asia Pacific Economic Cooperation Forum—is faltering and few have expectations that it will make the hoped-for breakthrough to become a free trade and investment zone.

Many trade observers and pundits have identified the FTAA as the natural heir of these failed projects and are fearful that another such failure could put the whole concept of these massive free trade agreements on the back burner for years. In fact, in a January 2000 statement, Associate United States Trade Representative Peter Allegeier said that the FTAA has taken on new importance after the fiasco in Seattle and may well aspire to go further than the WTO, freed of the need to play the deals off against one another.

The last ministerial-level Summit of the Americas was held in Quebec City in April 2001. At this Summit, leaders were presented with a heavily bracketed first draft for a Free Trade

Agreement of the Americas, out of which they will start to fashion a full text. The agreement was originally intended to be completed for implementation by 2005, but some countries, including Chile and the United States, are pushing to move the ratification date up to 2003.

—(See the Council of Canadians at <http://www.canadians.org/>)

## V. Latin America and the FTAA

“I helped make Mexico...safe for American Oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenue in. I helped purify Nicaragua for the international banking house of Brown Brothers...I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Honduras “right” for American fruit companies in 1903. Looking back on it, I might have given Al Capone a few hints.”

—Marine Corps Gen. Smedley D. Butler, 1931

### **Militarism and Globalization in the Americas**

By Sean Donahue, New Hampshire Peace Action

Green Paper #3 at <http://www.acerca.org>

A 1997 Pentagon report stated that the purpose of the U.S. military is to protect U.S. interests and investments. In describing future threats to these interests and investments, the study says, “Although unlikely to be challenged by a global peer competitor, the United States will continue to be challenged regionally. The globalization of the world economy will also continue, with a widening between haves and have nots.” U.S. Space Command. *Vision for 2020*. Peterson Air Force Base, CO. Feb. 1997). All of this seems to indicate that the U.S. military sees itself having to respond to movements and rebellions spurred by the growing gap between rich and poor caused by the globalization of the economy.

*New York Times* columnist Thomas Friedman, a friend and supporter of former Secretary of State Madeline Albright, echoes these ideas writing that "Because we are the biggest beneficiaries of globalization, we are unwittingly putting enormous pressure on the rest of the world, and that globalization is producing a powerful backlash from all those brutalized or left behind." He goes on to say that "the hidden hand of the market will never work without a hidden fist — McDonald's cannot flourish without McDonnell Douglas, the builder of the F-15. And the hidden fist that keeps the world safe for Silicon Valley's technologies is called the United States Army, Air Force, Navy and Marine Corps." "A Manifesto for the Fast World." *New York Times Magazine*. March 28, 1999). Sometimes the "hidden fist" is applied directly, but more often it comes in the form of arms sales and military aid allowing foreign militaries and security forces to do the dirty work of making their countries safe for multinational corporations by destroying anything that threatens foreign investments.

Mexico is a case in point. The North American Free Trade Agreement (NAFTA) threatened to destroy the economy and culture of indigenous communities in the southern Mexican state of Chiapas. In response, in January 1994 a revolutionary movement — the Zapatistas — rose up to challenge the political and economic policies that were threatening the people of Chiapas. In 1995 activists uncovered a secret memo from the Emerging Markets Group at Chase-Manhattan Bank, one of the chief banks funding governments and multinational corporations, that concluded that "While Chiapas, in our opinion, does not pose a fundamental threat to Mexican political stability, it is perceived to be by many in the investment community. The government will need to eliminate the Zapatistas to demonstrate their effective control of the national territory and of security policy." "Chase Manhattan's Emerging Markets Group Memo." *Mexico Political Report*. January 13, 1995).

The United States provided the Mexican government with the weapons and military training to carry out this mission, giving Mexico \$362 million worth of weapons and training between 1993 and 1997 ("Fueling Global Conflict: U.S. Weapons Sales to Latin America." Washington, DC: Peace Action Education Fund, 1998). Mexico continues to receive substantial military aid from the U.S. Just like under NAFTA in Mexico, military force will be necessary to force the economic policies dictated by the FTAA on desperately poor people throughout Latin America, and the U.S. will provide the weapons and military training necessary to make the hemisphere safe for multinational corporations. The new \$1.3 billion military aid package [Plan Colombia] the U.S. is sending to Colombia indicates the shape of things to come.

The Colombian military and right-wing paramilitary groups connected to the government and to wealthy landowners have waged a brutal but unsuccessful war against the guerillas as well as anyone suspected of being sympathetic with their goals. The U.S. is providing the Colombian government with weapons, training, and military advisors under the guise of fighting a war on drugs despite the fact that the military and the paramilitaries are involved in most of the heroin and cocaine trafficking in Colombia (The Colombia Plan: April 2000. *ÖZ Magazine*. June 2000). The real motive behind U.S. military aid to Colombia seems to be guaranteeing U.S. access to Colombian oil. Colombia may have up to 2.6 barrels of oil and 260 billion barrels in oil reserves. The U.S. is eager to gain access to this oil in order to decrease dependence on Middle Eastern oil, but the guerillas frequently attack Colombia's oil pipelines (The Real Reason for US aid to Colombia, *MoJoWire*. April 7, 2000). The U.S. appears to be getting involved in Colombia's civil war to guarantee our corporations access to the country's resources. We can expect to see similar stories played out throughout Latin America in the years to come.

School of the Americas (<http://www.soaw.org>)  
The US Army School of Americas (SOA), based in Fort Benning, Georgia, trains Latin American soldiers in combat, counter-insurgency, and counter-narcotics. Graduates of the SOA are responsible for some of the worst human rights abuses in Latin America. Among the SOA's nearly 60,000 graduates are notorious dictators Manuel Noriega and Omar Torrijos of Panama, Leopoldo Galtieri and Roberto Viola of Argentina, Juan Velasco Alvarado of Peru, Guillermo Rodriguez of Ecuador, and Hugo Banzer Suarez of Bolivia. Lower-level SOA graduates have participated in human rights abuses that include the assassination of Archbishop Oscar Romero and the El Mozote Massacre of 900 civilians.

On January 17, 2001 the SOA was replaced by the Western Hemisphere Institute for Security Cooperation (WHISC). The result of a Department of Defense proposal included in the Defense Authorization Bill for Fiscal 2001, the name-change measure passed when the House of Representatives defeated a bi-partisan amendment to close the SOA and conduct a congressional investigation by a narrow ten-vote margin. In a media interview last year, Georgia Senator and SOA supporter, the late Paul Coverdell, characterized the DOD proposal as "cosmetic" changes that would ensure that the SOA could continue its mission and operation. Critics of the SOA concur. The new military training school is the continuation of the SOA under a new name. It is a new name, but the same shame.

## **What Impact Will the FTAA Have on the Countries of Latin America?**

**From Maude Barlow's FTAA analysis at <http://www.canadians.org/>**

The countries of Central and South America and the Caribbean are being given all sorts of promises about the FTAA: more liberalized trade and investment will create the biggest trade

powerhouse in history, thereby spreading prosperity to the millions in the region currently without work or hope, they are told.

The reality is that Latin America has been living under this FTAA model for over a decade. It is based on the Structural Adjustment programs of the World Bank and the IMF that Latin Americans know well. It was the deregulation and privatization imperatives of structural adjustment that forced most to dismantle their public infrastructures in the first place. In order to be eligible for debt relief, many dozens of the countries of the Americas were forced to abandon public social programs, allowing for-profit foreign corporations to come in and sell their health and education “products” to “consumers” who can afford them.

Now these countries are allowed to maintain the most basic of public services only for the poor; but these services are so inadequate that the corporations aren't interested in them, and many millions of people in the hemisphere go without the most basic of education and health services. Not surprisingly, Latin American countries are experiencing an invasion of U.S. health care corporations, like Aetna International and American International, who report a 20 percent growth in the region per year.

Under the FTAA, this process will accelerate, wiping out traditional medicine, education and cultural diversity. In fact, worldwide economic and cultural harmonization is the goal, says one top U.S. WTO official, who adds, “Basically, it won't stop until foreigners finally start to think like Americans, act like Americans and—most of all—shop like Americans.”

The last decade of trade and investment liberalization has already caused great suffering in Latin America. Interest rates on debt payments have soared from 3 percent in 1980 to over 20 percent today. Latin America, as a region, has the highest rate of inequitable income distribution in the world. After swallowing its free market medicine, it now has a poverty rate higher than it was in 1980, and the buying power of Latin American workers is 27 percent lower. Eighty-five percent of all job growth has been in the precarious sector with no benefits or protections.

Mexico, eight years into NAFTA, now has record-high poverty rates of 70 percent; and in those years the average minimum wage lost more than three quarters of its purchasing power. Ninety million Latin Americans are now indigent and 105 million have no access to health care whatsoever. Child labor has grown dramatically; there are now at least 19 million children working in terrible conditions. Massive environmental degradation has resulted from the region's desperate rush to exploit its natural resources and the use of pesticides and fertilizers has tripled since 1996; there are now 80,000 chemical substances produced and used in the Americas.

The exploitation of Latin America's natural resources by Canadian and U.S. corporations now taking place would dramatically increase under a hemispheric pact. Transnational mining, energy, water, engineering, forestry, and fisheries corporations would have new access to the precious resource base of every country and the investor-state right to challenge any government that tried to limit their access to them. The ability of governments to protect the ecology or set environmental standards regarding the extraction of natural resources would be greatly reduced, as would the right to ensure local jobs from any activity of foreign corporations.

Joining the FTAA under these circumstances would be “tantamount to suicide,” says the coalition of trade unions of the Southern Cone countries. In December 2000, the major unions of Argentina, Brazil, Paraguay and Uruguay held the MERCOSUR Trade Union Summit where they called upon their governments to submit the FTAA to national plebiscites, which they believe would result in its defeat. The FTAA process is deepening the already growing poverty of the region, the union leaders said, putting “limits on national institutions that should decide the future of each country, while pushing aside the mechanisms that allow society to ensure a democratic administration of the state.”

*For a fantastic, downloadable document on the FTAA and Latin America, see the “Green Paper #3” guide at the Action for Community and Ecology in the Regions of Central America (ACERCA)*

*“What the public wants is called ‘politically unrealistic.’ Translated into English, that means power and privilege are opposed to it.”*

—Noam Chomsky

The global social justice movement is true to its name—it is a global movement, manifest in various countries and in various forms, all of which are becoming more closely linked and solidaristic. It is a movement that is doing more than just criticizing neoliberal policies; it also articulates alternative social, political, and economic forms of organization based on principles of dignity, sovereignty, sustainability, and justice. It is growing rapidly, through more frequent, well-organized, and international demonstrations, the development of independent media forums, and the collaboration of different organizations and strategies world-wide. This growth, international scope, and increasing sophistication, however, are not frequently recognized in the mainstream media. But as the corporate owners of mainstream media are both direct beneficiaries and strong proponents of the neoliberal economic policies this movement is struggling against, it is not surprising that coverage would be less than fair. In what follows we will define and explore several of its manifestations: independent media, the Zapatista rebellions, demonstrations and counter-conferences, and the World Social Forum. In order to observe and participate in this movement, its various forms must be understood.

—Shannon Hoff, Social Justice Alliance

## **A. Independent Media**

With the rise in corporate owned and influenced media (Associated Press, Reuters, all major newspapers and television networks, and most local subsidiaries), the importance of independent media cannot be overly emphasized. Although both types of media certainly have their respective biases, independent media, unlike corporate media, is driven by the “bias” of presenting information to the public for the purpose of consciousness-raising and the cultivation of the public’s ability to make informed political decisions. Independent media is an invaluable tool and forum for those interested in either political activism or simply in obtaining non-corporate perspectives on current and past events.

—Caroline Arruda, Social Justice Alliance

### **From [www.indymedia.org](http://www.indymedia.org):**

#### ***What is Indymedia?***

Indymedia is a collective of independent media organizations and hundreds of journalists offering grassroots, non-corporate coverage. Indymedia is a democratic media outlet for the creation of radical, accurate, and passionate tellings of truth. There are currently over seventy Independent Media Centers around the world. Each IMC is an autonomous group that has its own mission statement, manages its own finances and makes its own decisions through its own processes.

#### ***How did the IMC project get started?***

Indymedia is the collective effort of hundreds of independent media makers from around the world who are dedicated to providing a forum for independent reporting about important social and political issues. Several hundred media activists, many of whom have been working for years to develop an active independent media through their own organizations, came together in late November, 1999 in Seattle to create an Independent Media Center to cover protests against the

World Trade Organization. The Seattle IMC provided coverage of the WTO through both a printed publication called "The Blind Spot" and the first IMC web site. The web site received almost 1.5 million hits during the WTO protests. In February of 2000 a small IMC formed in Boston to cover the Biodevestation Convergence, and a larger one came together in Washington D.C. to cover the A16 protests against the World Bank and International Monetary Fund. After that request from local groups interested in forming their own IMCs started to pour in. There are now over fifty local Independent media centers around the world and more are on the way.

### ***How is Indymedia associated with the Anti-globalization movement?***

While Indymedia is not a conscious mouthpiece of any particular point of view, many Indymedia organizers and people who post to the Indymedia newswires are supporters of the "anti-globalization" (alternative globalization, anti-corporatization) movement. Corporate media often describe those who protest so-called "free trade" conferences and agreements as being "anti-globalization," ostensibly against the process of breaking down national borders to create what pro-globalization economists claim will be a more profitable world. This misrepresents the reality of the international movement for social justice, which advocates not the "free trade" of powerful governments (trade that allows goods and services to flow across national borders, often in a way that allows producers to move their manufacturing plants to countries where they can pay workers a pittance), but "fair trade" that opens borders to goods and people as a way of sharing the earth's natural and manufactured resources in a way that will benefit all. Today's social justice activists are not against globalization of community, justice and resources, they protest the economic globalization coordinated by the powerful few that results in their profiting from the work of the majority of the world's population. They sometimes prefer to call themselves "alternative globalization" activists, or those who are against the increasing corporatization of society and culture. What draws many of these activists to Indymedia? Perhaps people who protest the power multinational corporations, faceless international financial institutions and inaccessible governments have over their lives find encouragement in Indymedia's news wire, which encourages them to present their own account of what is happening in the world. People participating in protests that question the very tenets of corporate domination of their lives understand why their issues are unlikely to receive honest consideration in the corporate-owned media. Activists planning an alternative globalization/anti-corporatization event can assure a safe space for presenting non-corporate news by forming a local IMC to provide coverage of the event, or posting news to the site of a local IMC that currently exists.

## **B. Zapatistas**

"While Chiapas, in our opinion, does not pose a fundamental threat to Mexican political stability, it is perceived to be so by many in the investment community. The government will need to eliminate the Zapatistas to demonstrate their effective control of the national territory and of security policy."

—Chase Manhattan's Emerging Markets Group Memo, January 13, 1995



On January 1, 1994, the day that NAFTA went into effect, the EZLN, or the Zapatistas, took over four towns in the Mexican state of Chiapas. They declared war on the Mexican army and presented a list of eleven demands: “work, land, shelter, food, health care, education, independence, freedom, democracy, justice and peace.” Since then they have engaged in a non-violent struggle, which unlike revolutionary groups around the world, does not seek to gain power. Rather they demanded a reorganization of society:

*We want to participate directly in the decisions which concern us, to control those who govern us, without regard to their political affiliation, and oblige them to ‘rule by obeying.’ We do not struggle to take power, we struggle for democracy, liberty, and justice. Our political proposal is the most radical in Mexico (perhaps in the world, but it is still too soon to say). It is so radical that all the traditional political spectrum (right, center left and those of one or the other extreme) criticize us and walk away from our delirium.*

*It is not our arms which make us radical; it is the new political practice which we propose and in which we are immersed with thousands of men and women in Mexico and the world: the construction of a political practice which does not seek the taking of power but the organization of society. Intellectuals and political leadership, of all sizes, of the ultraright, of the right, the center, of the left and the ultraleft, national and international criticize our proposal. We are so radical that we do not fit in the parameters of “modern political science”.*

*We are not bragging ... we are pointing out the facts. Is there anything more radical than to propose to change the world? You know this because you share this dream with us, and because, though the truth be repeated, we dream it together.*

—Subcomandante Marcos, August 30, 1996  
[http://www.struggle.ws/mexico/ezln/marc\\_to\\_cs\\_se96.html](http://www.struggle.ws/mexico/ezln/marc_to_cs_se96.html)

The Zapatistas created their own communities in Chiapas based on these principles. Each community is run by a council in which all the members of the community participate and vote. Decisions are made based on consensus, and where a decision effects multiple communities, all the involved communities participate in the decision-making. For this reason, the Zapatistas have taken months to consider each of the Mexican government's proposals during negotiations. The Zapatistas say that this is the speed of democracy. More information is available at: <http://flag.blackened.net/revolt/mexico/councils.html>)

The Zapatistas have repeatedly stated opposition to neoliberal international trade agreements such as NAFTA and the FTAA. Addressing neoliberalism and globalization, they have said:

*Instead of humanity, it offers us stock market value indexes, instead of dignity it offers us globalization of misery, instead of hope it offers us an emptiness, instead of life it offers us the international of terror.*

*Against the international of terror representing neoliberalism, we must raise the international of hope.*

*Hope, above borders, languages, colors, cultures, sexes, strategies, and thoughts, of all those who prefer humanity alive.*

*The international of hope. Not the bureaucracy of hope, not the opposite image and, thus, the same as that which annihilates us. Not the power with a new sign or new clothing. A breath like this, the breath of dignity. A flower yes, the flower of hope. A song yes, the song of life.*

<http://www.eco.utexas.edu/Homepages/Faculty/Cleaver/firstrealidad.html>

The Zapatistas have tried to motivate international resistance and coordinate with the global justice movement. They have appealed directly to people in countries around the world through the use of the press, the internet, and international forums. The first international forum in 1996 hosted over 3,000 participants from 43 countries. The Zapatistas have coordinated and participated in subsequent local and international forums.

Since 1994 the Zapatistas have gained control over 1/3 of the municipalities in Chiapas. They have redistributed some of the land, built schools, clinics, municipal centers, and a hospital. Simultaneously, the Mexican government has, with U.S. monetary and military support, engaged in a campaign of low-intensity warfare against the Zapatistas. This war is waged through

harrassment, intimidation, arrests, executions, and massacres by government-sponsored paramilitary groups.

Siamak Malek, Social Justice Alliance

## C. Demonstrations and Counter-conferences

Rarely can a meeting of the World Bank, IMF, G8, European Union, or WTO be held these days without the formidable presence of citizens protesting their policies. From 50,000 in Seattle, WA to 300,000-400,000 in Genoa, Italy, people have congregated in solidarity to oppose neoliberal globalization and build a social justice movement.



The purposes and strategies of the demonstrators vary. Some seek to shut the meetings down in order to slow the pace of these institutions' agendas (as was successfully the case at the WTO meeting in Seattle, 1999), while others seek merely to voice their opposition to them. Both stem from a lack of alternative democratic mechanisms allowing the people's voice to be heard. Who, after all, gets to vote for Structural Adjustment Programs or the deregulation of financial markets? These institutions have bypassed the democratic process, so the people have taken their opposition to the streets.



The demonstrators' strategies vary from violent direct action to non-violent, civil disobedience to legally permitted marches and street theater. The corporate media is (not surprisingly) fixated on the former. Headlines scream of "anarchists" and "Black Bloc" thugs, while the hundreds of thousands of peaceful unionists, environmentalists, schoolteachers, clergy, students, etc. go unnoted. For this reason, the size, power, and sophistication of the largest social movement in history has become one of the best kept secrets of our time.

The growing movement against neoliberal globalization has, however, taken on more than just the form of protest. In fact, these protests represent only the most visible stage of the movement. Accompanying every neoliberal meeting or conference are now counter-conferences and people's summits, creating political public spheres where workshops, teach-ins, lectures, and open discourse can take place. Where we can teach and learn from one another, making connections both personally and politically. Where we can establish an informational network around the globe while building a consensus through informed participation. In short, these counter-conferences together with the growth of indymedia, have created the space for a truly global civil society.



What is learned and experienced at these counter-conferences is then brought back and shared with our communities through “report backs.” These “report backs” are an essential component of the movement, for they both bypass the corporate media as well as encourage further discussion and grassroots forums.

The latest and most exciting development in the movement has been the emergence of fully independent forums and conferences, most notably those taking place in Porto Alegre, Brazil the past two years. These World Social Forums are evidence that the global social justice movement has evolved from merely a protest movement to become a fully independent movement, developing positive alternatives for that other world we know to be possible.

—Chad Kautzer, Social Justice Alliance

## D. The World Social Forum

Simultaneous to this year’s World Economic Forum in New York, a World Social Forum (WSF) was held in Porto Alegre, Brazil ([www.portoalegre2002.org](http://www.portoalegre2002.org)) This social forum, which is in its second year, and which provided a model for the forums in Durban as well as Genoa during this summer’s Group of Eight (G8) meeting, was organized in direct opposition to the model of the Economic Forum. Last year’s WSF drew hundreds of delegates from organizations worldwide, with most of its participants coming from Central and South America. The following is an excerpt from the “Porto Alegre Call for Mobilization”:

“We are women and men, farmers, workers, unemployed, professionals, students, blacks and indigenous peoples, coming from the South and from the North, committed to struggle for people's rights, freedom, security, employment and education. We are fighting against the hegemony of finance, the destruction of our cultures, the monopolization of knowledge, mass media, and communication, the degradation of nature, and the destruction of the quality of life by multinational corporations and anti-democratic policies. Participatory democratic experiences like that of Porto Alegre show us that a concrete alternative is possible. We affirm the supremacy of human, ecological and social rights over the demands of finance and investors.”

Social forums, like Porto Alegre’s, are different than traditional conferences. First of all, there can be numerous participating organizations, providing an opportunity for many different groups to develop a unified front against the neoliberal policies of the World Economic Forum and its allies (i.e., the WTO, IMF, World Bank, G8). Secondly, instead of panels and workshops fronted by a few people, the forum sessions are organized around broad themes of discussion that allow all delegates to participate, while non-delegates listen in (and occasionally participate fully). These forums work to open dialogues on a non-hierarchical, democratic basis; the dialogues themselves present an alternative to the structures of forums like the WEF. Issues discussed at the forum include: the production of wealth (world trade, multinational corporations, debt, etc.); access to wealth and sustainability (health, the environment, water, etc.); civil society and the public realm (discrimination, democratizing communication, cultural production, refugees, education, etc.); and power, politics, and ethics (globalitarian power, participatory democracy, human rights, etc.). At the last conference, attendance skyrocketed; there were some 60,000 participants, 800 workshops, and 400 seminars.

There are more examples of this phenomenon. At the same time that the United Nations held its conference on Racism, Racial Discrimination, Xenophobia and Related Intolerance in Durban, South Africa late last summer, several other groups held what they called the Durban Social

Forum (<http://aidc.org.za/dsf/index.html>). They were locally-based groups, involved in AIDS activism, the struggle against homelessness, and the movement for cheaper electricity and water. They had no fixed venue, but met in the street, and so the forum was initially called “The Sidewalk Summit.” In a statement, the Forum declared that, despite the nominal end of apartheid in South Africa, “[h]alf of all children in rural areas go hungry every day and South Africa now has the greatest divide between rich and poor of any country in the world.” The U.N.-sponsored conference, they believed, neither adequately addressed these conditions nor the structures behind them. Furthermore, groups like the Durban Social Forum have begun to recognize these same structures of apartheid beyond their local circumstances, in the increasingly global world order. They recognized what some have called “global apartheid.”

In addition to cities like Durban, Genoa (<http://digilander.iol.it/awmr/gsf.htm>), and Porto Alegre, social forums have been initiated in Barcelona, Monterrey, Pittsburgh, D.C., and New York. The alternatives proposed at the different editions of the World Social Forum counteract a process of capitalist globalization headed by large international corporations and by the governments and international institutions that serve their interests. These alternatives aim to propagate a kind of communitarian globalization that observes universal human rights and is backed by international democratic systems and institutions serving social justice, equality, and the sovereignty of the people.

—Shannon Hoff, Social Justice Alliance

## VII. Bibliography

### GENERAL INFORMATION AND ORGANIZATIONS:

<http://www.corpwatch.org> *Corpwatch* counters corporate-led globalization through education and activism. We work to foster democratic control over corporations by building grassroots globalization—a diverse movement for human rights, labor rights and environmental justice.

<http://www.citizen.org/trade/> *Public Citizens Global Trade Watch* is an invaluable resource for information on free trade. Research congressional voting records, access the text of the various anti-democratic trade agreements being signed, and become educated on the important issues behind globalization.

<http://www.indymedia.org/> *The Independent Media Center* is the anti-globalisation movement’s response to the one-sidedness of the corporate media. They speak out about what the corporations would rather remain unknown.

<http://www.guerrillanews.com/> The *Guerrilla News Network* is an underground news organization whose mission is to expose people to important global issues through guerrilla programming on the web and on television.

<http://www.globalexchange.org/> *Global Exchange* is a human rights organization dedicated to promoting environmental, political, and social justice around the world. Since its founding in 1988, it has been striving to increase global awareness among the US public while building international partnerships around the world.

<http://stopftaa.org/> *Stop the FTAA* is an organization dedicated to stopping the Free Trade Area of Americas (FTAA), which is an international business deal disguised as a proposed treaty that would create the world's largest free market zone—affecting 650 million people and involving \$9 trillion in capital.

<http://www.interlog.com/~cjazz/action7b.htm> *Citizens on the Web* is a comprehensive site providing news articles, links to activist organizations and publications, and extensive coverage of demonstrations.

<http://canadians.org> The *Council of Canadians* aims at putting some of the country's and the world's most important issues into the spotlight: safeguarding our social programs, promoting economic justice, renewing our democracy, asserting Canadian sovereignty, advancing alternatives to corporate-style free trade, and preserving our environment.

<http://www.oneworld.net/> *OneWorld* is a community of organizations that works toward a vision of equitable and sustainable distribution of wealth for the world's population, the protection of human rights, and the development of governance structures that permit local communities control over their own affairs.

<http://www.wsws.org/> *The World Socialist Web Site* offers news and analysis from a left-wing perspective. It deals with the issue of free trade in relation to its impact on the working people of the world.

<http://www.zmag.org/> *Z-net* is the online magazine committed to social change. Find the latest here from Noam Chomsky, Howard Zinn, and many leading intellectuals on globalization and other issues.

<http://www.nader.org/> The Nader Page contains almost everything ever written by public interest crusader Ralph Nader. It contains extensive and intelligent criticism of corporate globalization.

<http://www.fpif.org> *Foreign Policy in Focus* analyzes important geopolitical trends and international politics.

<http://www.worldbunk.org/> The World Bunk aims to serve the poor by sharing information on globalization, the policies of institutions such as the World Bank and their effects, and actions taken against these institutions. Civil society, human rights and development organizations, unions, schools, and churches are its main partners.

<http://www.iatp.org/> The *Institute for Agriculture and Trade Policy* promotes resilient family farms, rural communities, and ecosystems around the world through research and education, science and technology, and advocacy.

<http://www.thirdworldtraveler.com/> *Third World Traveler* lists magazine articles and book excerpts that offer an alternative view on the impact of government policies, transnational corporations, international trade and financial institutions, and the corporate press on democracy, human rights, and social and economic justice in the Third World and the US.

<http://www.globalinfo.org/eng/> *Global Information Network* is a not-for-profit news and world media operation that supplies wide-ranging coverage of the developing world, as well as of industrial countries and multinational corporations.

<http://www.publiceye.org/> *Political Research Associates* is an independent, nonprofit research center that serves as a national resource for information on antidemocratic, authoritarian, and oppressive movements and trends.

<http://www.portoalegre2002.org> The Porto Alegre *World Social Forum* is a participatory democratic forum envisioning a kind of communitarian globalization that observes universal human rights and is backed by international democratic systems and institutions serving social justice, equality, and sovereignty. It affirms the supremacy of human, ecological, and social rights over the demands of finance and investors. For social forums in Durban and Genoa, go to: <http://aidc.org.za/dsf/index.html> and <http://digilander.iol.it/awmr/gsf.htm>

<http://www.focusweb.org> *Focus on the Global South* aims to consciously and consistently articulate, link and develop greater coherence between local community-based and national, region and global paradigms of change. *Focus* strives to create a distinct and cogent link between development at the grassroots and “macro” levels.

## ACTIVISTS:

<http://www.globalizethis.org/s30/> *Mobilization for Global Justice* is one of the largest anti-globalization organizations around.

<http://www.anotherworldispossible.com> *Another World is Possible* is a grassroots organization dedicated to ending corporate globalization and proving that another world **is** possible.

<http://www.internationalanswer.org/index.html> *International ANSWER* is a coalition of groups against globalization/militarism and for peace/humanity.

<http://www.corpreform.org/> *S.T.A.R.C. (Students Transforming and Resisting Corporations)* is a group of student activists committed to addressing issues of corporate power in general and specifically issues related to free trade.

<http://www.infoshop.org/blackbloc.html> *Black Bloc for Dummies* dispels the myths about the one anti-globalization organization most vilified in the corporate media.

<http://www.attac.org> *ATTAC* is a European organization that has a very simple goal—to tax financial transactions to raise revenue to address important social issues.

<http://www.ruckus.org/> *The Ruckus Society* is a group that trains activists in civil disobedience tactics.

<http://www.raisethefist.com/index1.html> *Raise The Fist* is back up and running since its founder was arrested and imprisoned by the FBI because of the “radical” nature of this site. It is the very best of anarchism on the net.

<http://www.50years.org> *50 Years is Enough* is a coalition of over 200 U.S. grassroots organizations dedicated to the profound transformation of the World Bank and the International Monetary Fund (IMF).

<http://www.mstbrazil.org> The *Brazilian Landless Workers Movement* is the largest social movement in Latin America. Hundreds of thousands of landless peasants have taken for themselves the task of carrying out a long-overdue land reform.

<http://www.ezln.org/> This is the website for the *Zapatista* movement in Chiapas, Mexico, which is demanding a reorganization of society in the name of democracy, liberty, and justice.

<http://www.colombiasupport.net/> *Colombia Support Network* offers aid to those fighting for social and economic justice in one of the worst victims of global corporate greed—Colombia.

<http://www.mexicosolidarity.org> *The Mexico Solidarity Network* is a coalition of over eighty organizations struggling for human rights, economic justice and democracy in the United States and Mexico.

<http://protest.net> *Protest.Net* is a collective of activists who are working together to create their own media. By publishing a public record of their political activities on the web, they are taking a stand against the established media.

<http://www.abolishthebank.org/> *The Anti-Capitalist Convergence* rejects a social and economic system based on private ownership, a system driven by a logic that sees human beings as human capital, ecosystems as natural resources, and culture as a commodity.

<http://www.resist.org.uk/> *Globalise Resistance*, based in London, brings together groups and individuals opposed to the global growth of corporate power.

### UNIONS:

<http://www.aflcio.org/home.htm> The *AFL-CIO* is America's largest labor union. Their website gives American workers' views on a number of issues, including corporate globalization.

<http://www.ufw.org> *The United Farm Workers* is a radical labor union dedicated to blunting the edge of globalization as it continues to attack the living standards of millions of agricultural laborers.

<http://www.naftalawsuit.uswa.org> *Fair Trade Watch* attempts to promote fair trade while attacking free trade. It gives extensive info on the United Steel Workers lawsuit against the unconstitutional means used to adopt NAFTA.

<http://www.fixitornixit.com/> This website is run by the *United Steelworkers of America*, and is part of their struggle to pressure the World Trade Organization to reflect the interests of working families and their communities.

### THE VICTIMS:

<http://www.elpais.es/especiales/1998/chile/chile1.htm> *Victims of the General* offers accounts of the horrors perpetrated by Augusto Pinochet.

<http://www.searchlight.com/warpeace/index.htm> *A War Called Peace: Images of Guatemala* offers stirring images from war-torn Guatemala.

<http://www.derechoschile.com/html/index.htm> Offers a recent history of Chile and gives extensive information on the crimes committed by Pinochet.