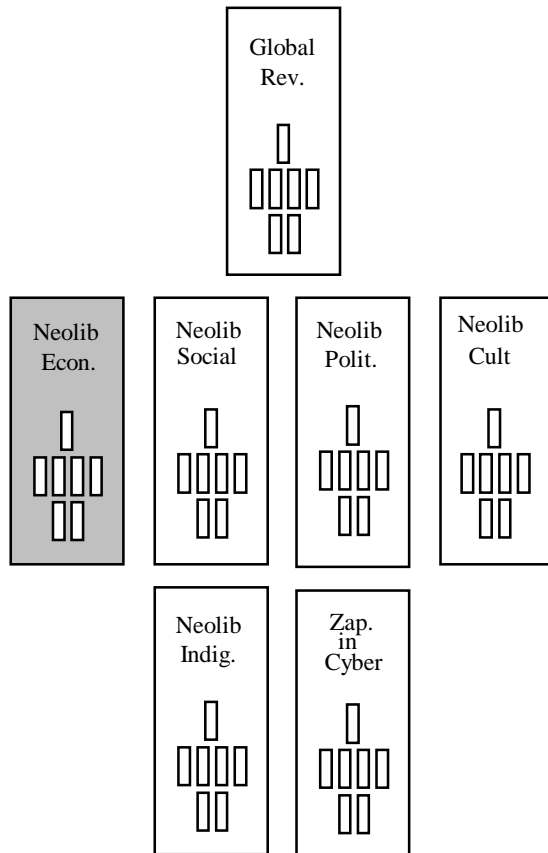


Neoliberalism:

Economic Aspects

One of a series of interconnected notes prepared by Acción Zapatista de Austin (www.utexas.edu/students/nave)



“Neoliberalism is the chaotic theory of economic chaos, the stupid exaltation of social stupidity, and the catastrophic political management of catastrophe.”

Don Durito of the Lacandon, July 17, 1995

Neoliberal Economics

Neoliberalism is a variation on the classical liberalism of the 19th Century when British and other imperialisms used the ideology of competition and “free trade” to justify their own colonialisms. Anti-colonial revolt ended the empires. Worker revolt in the 1930s and anti-colonial struggles ended classical liberalism but was contained by Keynesianism: government management of the wage, the welfare state and “development.” An international cycle of worker, student, peasant, woman, and pro-ecology revolt in the 1960s ended Keynesianism which was replaced by neoliberalism.

Neoliberalism has been designed, pushed and implemented by some of the biggest, most powerful institutions in the world, beginning with the International Monetary Fund and the World Bank. Think tanks, university departments and government agencies house an international army of neoliberal architects, planners and apologists --backed up by the armed might of the state in all its forms. This history suggests that defeating neoliberalism will not be enough, we must go beyond reformism to defeat all forms of capitalism.

Neoliberalism is both an ideology and a strategy. Like so many criminals, it has many aliases, “Reaganomics,” “Thatcherism,” “supply-side economics,” “monetarism,” “new classical economics,” and “structural adjustment.” The ideology of neoliberalism is the worship of the “market” and subordination of all other economic actors to its demands, including government and individuals. The strategy of neoliberal economics includes privatization, reduced social expenditures, union busting, land enclosure, lower wages, higher profits, free trade, free capital mobility and the accelerated commodification of nature.

The Impact of Neoliberal Economics

Neoliberal economics empowers and enriches big business -- especially multinational corporations-- and impoverishes damned near everyone else, including workers, peasants, the middle class and small business. Governments’ debt reduction policies shift income and wealth from wages to profits. Slashed food subsidies, welfare payments and education funding cut the floor from under the labor force. Anti-inflation is a euphemism for anti-wage. Monetary policies attack wages through high interest rates and high unemployment. Unemployment, reduced wages and expansive credit all dramatically increase the amount of unwaged work we have to do to survive. Financial deregulation has diverted profits from new machines to all kinds of unproductive speculation.

Industrial restructuring breaks workers' power and increases that of corporate capital. Lower-waged workers and poorer communities are pitted against higher-waged workers & better off communities. The global effect is a downward leveling for most and increased power for capitalism. Underdevelopment has replaced development.

Resisting Neoliberal Economics

People are fighting back on every front. Most effective struggles have been collective. Efforts to reduce wages are resisted by rank & file workers. Efforts to reduce social expenditures are fought in legislatures and in the streets. Efforts to enclose free space are fought by peasants, urban squatters and cybernauts. Efforts to use new technologies to break workers' self-organization are resisted. Efforts to reduce wilderness and community lands to “natural resources” are fought by peasants and eco-warriors. Racist and xenophobic efforts to attack multinational workers (immigrants) are resisted by cross-border alliances. Efforts to monopolize the new informational industries are outflanked by freeware and the creation of new “spaces” in cyberspace.

Struggling Against Neoliberal Economics

The strength of these struggles of resistance lies in their ability to recompose local social relations to block attacks while elaborating joint or complementary self-defined projects. A weakness is their isolation and separation from each other. We must organize our struggles across regions, sectors, habits and languages through linkages that can achieve a level of global collaboration capable of stopping the global capitalist offensive which oppresses us. The very global scope of neoliberalism creates a fundamental vulnerability: the existence of a common enemy. Not only can its institutions be targeted, e.g., the IMF and local governments, but its policies can be counter-attacked from every direction by all its would-be victims on the basis of their own values and alternative approaches to social organization.

We must also link those alternative new ways of organizing the genesis and distribution of wealth in ways that are complementary and capable of united action. There are many on-going experiments around the world whose experiences and creativity can be shared. This does not mean unity for socialism or any other unified post-capitalist “economic” order, but rather the elaboration of cooperative interconnections among diverse projects. Nor does it mean a delinked and divided localism. It means elaborating a new mosaic of interconnected alternative approaches to meeting our needs and elaborating our desires.