

# Trade Deals and the Future of the Anti-Globalisation Movement

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Por Svea Franz · 08/08/2017

***When the [Zapatista Army](#) launched an insurgency in Chiapas, Mexico on New Year's Day 1994, their primarily target was NAFTA, the US-Canada-Mexico trade deal that came into effect that day***

Zapatistas

**By Nick Dearden, [novara media](#)**

Many in Mexico feared the damage that the North American Free Trade Agreement would do to their economy. The years that followed justified that fear. One million Mexican farmers [lost their livelihoods](#), with 1.4 million related jobs scrapped too, wages fell through the floor, prices rose, small businesses went to the wall, and millions tried to find a better life in the US. You wouldn't know it listening to Donald Trump, but the impact of NAFTA on Mexico far exceeds the damage done in the US.

Although the Zapatistas didn't stop NAFTA, their rebellion proved a catalyst for perhaps the most interconnected global movement in history. The so called anti-globalisation movement challenged the rule of unaccountable international institutions like the International Monetary Fund, and a global economy based on the power of big business. From the price of medicines to farmer's livelihoods, environmental destruction to public services, the anti-globalisation movement rejected global economic policy making as dangerously antisocial. At the centre of these concerns were trade and investment rules which were taking power off

governments and handing it to gigantic corporations.

The beating heart of this global resistance was always Latin America – the continent that has most fundamentally challenged the economic theory and practice of the US and Europe governments. And from the [Cochabamba 'water wars'](#) to the rise of the so called ['Pink Tide' governments](#) in countries like Venezuela, Bolivia, and Ecuador, trade rules and investment deals remained at the centre of the resistance. Not only did they fight back against a global economy dominated by big business, they started to build a regional economic system which would put redistribution of wealth and power right at its heart.

Here in Europe, it might have seemed surprising that trade could elicit such a response – at least until three years ago when we were faced with our own 'free trade' deal with the US, known as [TTIP](#). At that point it became clearer that free trade today has little to do with exchanging goods, and much more to do with creating a new set of rules to protect and enhance the power of big business.

Latin American activists could have explained TTIP to us before negotiations even began. They've had decades of such deals. And they're well versed in the fact that under free trade deals, governments lose important powers to protect their citizens and run their economies. When it comes to running public services, spending taxpayers' money, passing laws to protect the environment, or making the lives of small farmers more secure, trade deals can constrain the power of governments. That's because these deals entirely focus on making life as easy as possible for the investor – usually big business. The 'right' of international business to invest where they want, when they want, how they want comes ahead of any human right or international obligation.

But even in more basic form, free trade deals also create another problem for developing countries. Like many parts of the developing world, Latin America is

used by the developed world as a source of raw materials: metals, fossil fuels, and basic foods. Just like in colonial times, these basic materials are exported, and manufactured products are imported back. Rather than adding value to their products and developing technology and know how, these economies play the role of helping richer countries get richer still.

Trade deals tend to lock countries into these relationships, rather than allowing them to integrate with their regional neighbours at a similar level of development, which could help them break their unhelpful economic dependence on the West.

It is these structural problems that the 'Pink Tide' governments sort to redress. They even came up with an alternative trade system to encourage regional integration called [ALBA \(Bolivarian Alliance for the Peoples of Our America\)](#). While never as developed as many would like, ALBA did encouraged trade and integration on the basis of redistribution of wealth and cooperation rather than competition.

## **Building on Latin America's trade revolution**

In Brussels, European campaigners against TTIP [came together](#) with trade campaigners from Latin America to assess what had been achieved and what more remains to be done. With the left wing governments of Latin America challenged by elections, coups, and economic collapse, there is an urgent need to rejuvenate the movements that gave birth to the anti-globalisation moment.

The Latin American governments had astonishing success in terms of fighting poverty. But there are also big gaps in terms of long term structural change.

One of the central problems of the ALBA governments was their dependence on commodities – especially Venezuelan oil. The profit from these commodities was

indeed used to transform the lives of the poorest throughout the continent in the 2000s: [poverty was slashed](#), as [education and healthcare](#) improved dramatically. It was a radical model of redistribution that lifted [millions out of poverty](#).

But at the same time, not enough was done to truly diversify these economies. Too little investment in new industries means that Latin America is still too dependent on commodity exports. When commodity prices were at record highs in the 2000s, there was plenty to go around, and new money was readily lent by banks. But commodity prices are volatile, and the oil crash effectively brought an end to Latin America's rise, with debts left in some countries which must be paid for by yet more commodity exports. The subservience of their economies to the US, EU, and newly emerging powers remains acute.

Big steps were made to build regional institutions so that the power of Western based institutions like the World Bank and International Monetary Fund could be broken. Countries like Ecuador literally [sent senior World Bank staff packing](#), closing their offices, while wiping out a significant portion of the countries illegitimate debt. Mining companies were told to pay their taxes and abide by national laws.

But plans for radically different institutions – like the so called Bank of the South and a common currency to break the dependence on the dollar – floundered as Brazil argued with Venezuela about whether the aim was to improve Latin America's standing within the current global system, or to break that system altogether.

Today, as neoliberal governments have taken over in Brazil and Argentina, while Venezuela edges towards collapse, these programmes are rapidly going into reverse.

## **Between Trump and Europe - where next for the trade revolt?**

In the 2000s, many Latin American activists took positions in their newly radical governments, but this often meant weaker movements pushing those government from the outside. Now the movements are reasserting themselves, and finding success.

El Salvador has been the victim of a long running trade case in a 'corporate court' after the government tried to prohibit a gold mining operation. That spurred on anti-mining groups who recently [won a groundbreaking law to halt metal mining](#) in the central American country.

Ecuador, victim of countless corporate court cases, [ripped up 16 bilateral deals](#), including with the US and UK, after an audit pushed by grassroots activists found that such deals had had an overwhelmingly negative impact on the country.

The next 12 months will really test the strength of this rejuvenated activism.

Trump came into the White House promising to renegotiate NAFTA. Far from offering a helping hand to Mexicans, Trump rather thinks NAFTA was too soft on Mexico. But the renegotiation, starting this August, does begin a process which could, if resisted, send shock waves throughout Latin America.

If the US terms are too difficult for Mexico's government, the continent might refocus on deals with Europe. The EU, keen to get its hands on more of Latin America's resources, [is using Trump's presidency to appear as a benevolent force in comparison](#), offering good old free trade deals to the continent, complete with strict investor protection rules. Doubtless Brexit Britain will be snapping at their heels. Already, UK 'investors' have taken 16 cases against Latin American countries - adding to the burden of the most sued countries on earth.

Strong resistance from Latin America could help sink Trump's plans, and even NAFTA itself, but also force a further rethink of Europe's weakened trade policy post TTIP. That will matter not only to citizens there, but here too.

Then, in December, Argentina hosts the World Trade Organisation summit – the body which oversees a set of trade rules for the whole world. This will be an opportunity to bring Latin American activists together to start arguing forcefully for a different sort of economy. With the G20 meeting also being held in Buenos Aires in 2018, Argentina has an opportunity to rekindle its radical image.

## **Resistance and alternatives from Chiapas to ALBA**

Campaigners aren't opposed to trade in and of itself, but rather to the system of trade and investment currently embedded in nearly all trade deals. So, activism needs to focus more concretely on what sort of trade deals would we want to see. At the meeting in Brussels, campaigners laid out a path to building a new trade system.

This means turning current trade rules on their head. Big business and super rich investors don't need any more protection. What encourages positive investment is not letting corporations do whatever they like, but building a well functioning economy, and a skilled and well educated society. For this to work, and indeed for trade to work in the interests of the many not the few, governments must be able to regulate corporations and investment. [Agreements between countries should encourage such regulation](#) by insisting on high standards, the protection of workers and farmers, and the sharing of skills and technologies.

Latin America should also remember and build upon ALBA, rather than assuming that more exports to Europe or the US will solve its problems. Latin America's problems don't arise from the fact that it is insufficiently integrated into the global

economy, as the free traders would have it. Rather the continent is integrated in the wrong way – one which embeds colonial forms of trade, prioritises the export of commodities to the richer part of the world, and pushes big business over small business and farmers.

None of this will be handed down by a benevolent government. We'll all have to fight for it. But the current widespread concern about free trade in Europe and the US gives a real space for movements around the world. Neither Europe's 'business as usual' approach to free trade, nor Trump's beggar-my-neighbour trade strategy will build a better world. We need a fundamentally different approach which is both local and democratic, and open and internationalist.

There is no better place to discuss this than in Latin America – which has come further than any region in its experiments to create a fairer trade system. The spirit of Chiapas needs to be reborn. That's the best hope we have of permanently transforming the global economy so that it puts people before profit.

### **What to look out for:**

- The WTO meets in December in Argentina. It will give Latin American movements the opportunity to reignite their opposition to neoliberal trade and start building alternatives.
- NAFTA renegotiations start in August. This gives space for activists to raise the negative implications of NAFTA throughout Canada, Mexico and the US. If Trump attempts to push even more punitive terms on Mexico, it will have repercussions for the continent as a whole.
- The EU is going on a trade offensive. Particularly look out for the EU-Mexico modernisation negotiations which will attempt to enhance

the 'rights' of big business, as well as help the EU gets it hand on Mexican government spending (procurement). Also the very long awaited EU-Mercosur deal (Mercosur is a trade bloc which includes Brazil and Argentina).

*Photo: Oriana Eliçabe*

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