Spaces of Capital/Spaces of Resistance: Mexico and the Global Political Economy

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Dedicated to the memory of my grandfather - one of life's true greats

Acknowledgements

Declaration

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Abstract

Since 1994, Mexico has seen a proliferation of largely indigenous social movements asserting their right to land and territory, most notably within the southern part of the country. This thesis seeks to analyse why this has been the case by placing these movements within a theory of the production of space, and examining its role within the global political economy. It is submitted that events in southern Mexico can be explained as a clash between two distinct spatial projects; the spaces of capital on the one hand, and the spaces of resistance on the other. In order to make this argument, the inherent expansionary logic of capitalism as a mode of production is rendered, and it is detailed how the search for profit leads to constant alteration in socio-spatial relations.

Using this framework, changes within the realm of production since the 1970s are investigated to reveal new socio-economic geographies, and the central role of class struggle in this process is asserted. The insertion of Latin America into global circuits of accumulation is then examined in relation to these arguments before the specific example of Mexico is turned to. Gramsci's concepts of passive revolution and hegemony are then deployed in order to analyse how spatial developments have been accomplished in Mexico though processes of state and class formation.

Lastly, two regional case studies of the southern Mexican states of Oaxaca and Chiapas are explored in light of these theoretical contentions. These states serve to highlight not only the means by which capital is currently seeking to expand accumulation, but also underline the conflicts that arise from this process as new spaces of resistance have emerged that seeks to contest and remake space in radically new ways.

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Chapter 1

Introduction

On January 1st 1994, in the southern Mexican state of Chiapas, an indigenous rebel group calling itself the *Ejército Zapatista de Liberación Nacional* (EZLN, Zapatista National Liberation Army) rose up in response to the government's new economic orientation, signalled most visibly with the signing of the North American Free Trade Agreement (NAFTA) that was due to come into effect on that very day. The Zapatistas have, since this time, taken over (or recuperated as they put it), hundreds of hectares of formerly privately held lands and constructed an autonomous form of governance where the official state law is not recognised nor government programs accepted. Instead, upon entering into their territory one is greeted with a sign that reads 'Aquí, manda el Pueblo' (here, the people command).[1]

In the summer of 2006, in another southern Mexican state of Oaxaca, the violent dislodgement of the annual teacher's plantón (encampment) led to the creation of a broad collection of social movements, trade unions and civil society organizations coming together under the banner of the *Asamblea Popular de los Pueblos de Oaxaca* (APPO, Popular Assembly of the Peoples of Oaxaca). Barricades were erected throughout the city and public buildings and symbols of power were taken over as a state of 'ingovernability' was declared. Since this time, social movement activism in the state has proliferated, centred on opposition to

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[1]'Territory' here is taken to mean a specific area upon which a regime of political authority is constructed. Like space and scale, territory should not be thought of as fixed and ahistorical but rather as something produced through collective agency.

neoliberal development projects and localised authoritarianism. Instead. drawing on the state's indigenous cultural practices, there have been attempts to reinvent community and reorient development.

What both of these cases represent are efforts to craft new geographical relations of power, calling into question the legitimacy of the state as the cornerstone of political praxis as well as the efficacy and desirability of representative democracy. Moreover, they pose a challenge to the viability of capitalist social relations. In light of this, as well as numerous developments within the region, Jean Grugel's (2002: 170) assertion that the rise of neoliberalism in Latin America has rendered 'utopian debates' about politics irrelevant, seems premature to say the least. Rather what we are witnessing is the reinvention of utopia.

This thesis seeks to explore these spaces of resistance, understand why they have arisen, and distill what they mean for comprehending (geo)politics today. In order to do this we need to work backwards through different levels of analysis. It is argued that to fully understand these movements in Chiapas and Oaxaca we have to be attentive to their specific histories. However, these specific histories cannot be considered without knowledge of processes of state formation and socio-economic development within wider Mexico. The development trajectory of Mexico is itself informed by the particular regional dynamics of Latin America as a whole, and the shared legacy of colonialism, state-led industrialisation and neo-liberal transition. As should be obvious, this suggests that Latin America must likewise be placed within the broader context of the global political economy, based as it is on surplus value extraction in the form of capital accumulation, which has constantly sought to extend its logic in the region. It is at this point that we have to begin to push our inquiry into the spatial and its role within the global political economy, by establishing the nexus between capitalist social relations and the production of space. This thesis is thus a study of geopolitics in the widest sense of the term.

Disentangling these issues and putting them into a manageable framework is done by drawing from the work of Neil Brenner (2004: 18-21). Borrowing from his methodology, this thesis seeks to construct its analysis at three separate levels. These are the abstract level, the meso level and the concrete level. As Brenner (2004: 21) notes, these are not to be thought of as ontologically separate. but

rather they represent "analytically distinct, if dialectically intertwined, epistemo-logical vantage points." As its name suggests, the abstract level involves drawing together key systemic features of a system, and outlining a theoretical framework within which we can operate in order to conduct our empirical investigation. The meso level, by contrast, is concerned with broad periodisations of institutional configurations that coalesce within time and space, underpinning dominant ideas about, and practices of, 'development'. Lastly, the concrete level looks at the precise ways in which these wider forces unfold within specific contexts, whether this be at a national or sub-national context. Saskia Sassen (2007: 7) has rightly pointed out that studying the global "entails not only a focus on what is explicitly global in scale. It also calls for a focus on locally scaled practices and conditions articulated within global dynamics." It is at these scales we can observe disjunc-tures and contradictions within material social practises and also think about processes of resistance and alternatives that are constructed within these inter-stices. Following Lefebvre (1976: 18), this work is thus attentive to the differences and tensions involved in the production of scalar hierarchies. Indeed, this is vital to making an original analysis of the emergent spaces of resistance inspired by in-digenous subjectivities. Noel Castree (2004: 137 nt.6) has highlighted that "few, if any, critical geographers have focused in-depth on the broader, international context for specific indigenous struggles." This thesis is a response to this lacuna. In addressing questions of place, space and scale it adopts an historical sociolog-ical approach (explained in greater detail below). This is done primarily for two interrelated reasons. First, as Marx (1852/1996: 847) attested, "The tradition of all the dead generations weighs like a nightmare on the living." This method helps not only therefore to denaturalise the present by showing how it has grown out of past conditions, but also allows us to see what past and present conditions could inform future trajectories (Ollman, 2003: 2-3, 124). In the words of Joel Wainwright (2008: 2, 7), this allows us to 'decolonise development' by showing how this term has simply become a synonym for the furtherance of capitalist rule. Second, it allows us to focus on the production of agents of resistance and transformation. Beverley Silver (2003: 20, 6) has argued that a key intellectual task is to identify subaltern responses to capitalist development, emphasising that the recomposition of capital on a global scale also leads to the recomposition of

labour. This thesis, while re-asserting the importance of class struggle within the global political economy, will, through its focus on indigenous and peasant resistance, argue that this concept must be widened from its focus solely in regard to resistance at the point of production. Instead, the historical sociological method can highlight how alternative histories and practices of constructing social relationships can provide a useful well of experiences to draw upon, and can be reconfigured as an important tool for social movements.

The introduction is organised in the following manner. First the contributions of the thesis to knowledge are outlined. Second, the social purpose of academic inquiry is reflected upon. Third, the problematic of space is discussed before, fourth, the mode of academic inquiry adopted throughout the thesis is explained and the precise methodology used to conduct this research is detailed. Certain ethical issues are also discussed. Lastly, an outline of the overall thesis is provided.

1.1 Contributions of the thesis to knowledge

This thesis claims to offer a number of contributions to knowledge. First, it demonstrates the continued importance of the spatial and spatial planning within the global political economy, drawing attention to the role that uneven and combined development plays within this process, whilst extending this concept to multiple scales of analysis. It thereby highlights how the continual production of space through the transformation of the biophysical environment is a pre-requisite for the current economic system to function. It also provides a detailed account of the social agency of such a process, as well as linking this to crises in economic, political and environmental spheres. Second, the theoretical insights of Antonio Gramsci, Henri Lefebvre and David Harvey are deployed in a novel way to aid in understanding processes of modern state formation in Latin America, and, in even more detail, Mexico and two specific federal states within Mexico. In particular Gramsci's notions of passive revolution and hegemony are drawn upon to show how spatial and scalar configurations have been historically produced within Mexico and for what social purpose (see also Morton, 2011). A spatially nuanced explanation of the concept of hegemony is offered which draws from the work of the new cultural historical studies in Mexico that emphasises 'everyday

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forms of state formation' (Joseph and Nugent, 1994). In contrast to approaches that stress a purely 'national' level to the operation of hegemonic projects (Jessop. 1990: 196-219) the thesis demonstrates the interplay between global, regional. national and localized articulations of power in the production of space and scale. This is done by developing the novel notion of 'uneven and combined hegemony'. The purpose of this concept is also to offset a contemporary trend within current Mexican studies literature that focuses on power dynamics solely at the local level without linking this scale to wider processes of class formation (see *inter alia* Bobrow-Strain, 2007; Cornelius *et al.*, 1999; Rubin, 1997; Smith, 2009). Finally. the thesis underscores the contestations involved in the production of space and looks towards the potential for alternative geographical projects based upon the epistemologies of the excluded (see also de Sousa Santos, 2006). These issues have often been elided in more structuralist accounts of capital, where a detailed engagement with specific resistance movements has not been undertaken (see *inter alia*, Harvey, 2006b, 2010; Smith, 2008). The thesis lays particular stress on the agency of indigenous communities. Indigenous subjectivities have largely been excluded from dominant debates about development in Latin America, frequently being regarded as an anachronism that would be absorbed through the twin processes of mestization[2] and/or proletarianisation. However, in recent decades (and in particular since the quincentennial remembrance of the Spanish conquest), indigenous resistance has risen to prominence and managed to challenge many of the long held axioms of traditional leftist thought, such as the centrality of the state, and the working class (defined in terms of a fixed sociological category) as the agent of political transformation. As mentioned earlier, the thesis draws its empirical focus from resistance movements that have emerged in the southern states of Oaxaca and Chiapas, most notably since the neoliberal reforms of Carlos Salinas de Gortari (1988-1994). One of the chosen case studies - the Zapatistas - have already been extensively written about, yet relatively scant consideration has been devoted to analysing the spatial and scalar dimensions of their political praxis, which is remedied by this research. The other case study focuses on the

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[2]Although this refers literally to the miscegenation of indigenous ethnicities with white Europeans to produce the figure of the mestizo, this, by itself, is quite misleading as it is equally about the negation of indigenous cultural practices through assimilation into wider western norms.

state of Oaxaca. Whilst in recent years this state has seen more scholarly reflections (see *inter alia* Chassen-López, 2004; Overmyer-Valázquez, 2006; Smith, 2009) these studies have focused on either the period leading up to the Mexican Revolution, or the period of state formation immediately following this. The analysis bought to bear in this thesis is thus the first detailed engagement in the English language that deals with contemporary state formation and resistance in Oaxaca that also considers these aspects from the perspective of the longue durée. Such an approach offers an important contribution to debates surrounding the historical sociology of international relations which have hitherto had a largely Eurocentric focus (e.g. Lacher, 2006, Rosenberg, 2006, Teschke, 2003). As noted above, within Mexican studies there is an emergent literature on subnational political processes and Gerardo Otero (2004: 342) has recently called for further comparative research across Mexico. This is important to avoid what Stein Rokkan (1970) has called 'whole nation bias' or what John Agnew (1994) terms 'the territorial trap'. Richard Snyder (2001: 94) has further argued that "subnational comparisons better equip researchers to handle the spatially uneven nature of major processes of political and economic transformation." However, as will be explained in the section below on methodology, this does not entail having to adopt the positivist comparative method championed by Snyder that conceives the social world as separable and controllable units of analysis.

1.2   Intellectual production and the social purpose of academic inquiry

Before beginning any investigation it is necessary to reflect critically on the motivations and intended social purpose of such an undertaking. Robert Cox (1981: 128) famously opined that, "Theory is always for someone or some purpose...there is no such thing as theory in itself, divorced from a standpoint in time and space." All academic interventions are thus conceived of as serving a social function of a particular kind, whether the authors' recognise it or not. This conforms to the definition of an intellectual offered by Antonio Gramsci (1971: 5-23) as anyone who seeks to organise, direct, educate and inform. With regards to this latter

point, the words of Bertell Ollman (2003: 20, emphasis added) are prescient when he argues that, we do not *choose* to participate in the class struggle, as to one degree or another we are all implicated in this by virtue of our participation in the social world of capitalism. Instead, "What can be chosen is *what side to take* in this struggle." In agreement with Marx (1845/1996: 799) scholarly activity is not thought of as a passive description of the world, but seeks to aid efforts to change it.[3] As Lefebvre (1961/2008: 19) points out, "Critique implies possibilities, and possibilities as yet unfulfilled. It is the task of critique to demonstrate what these possibilities and this lack of fulfilment are." This work thus makes no claim for neutrality, and rejects the separation between subject and object. Rather it is consciously anti-capitalist in its orientation for reasons that will become clear as the argument progresses. Whilst not claiming to offer a recipe for change, the hope is to render more legible, a system of exploitation that seeks to hide this fact (see also Harvey, 2010: 241) as well as looking towards alternatives.[4]

1.3 Globalisation and its discontents: lost in space

In recent years much scholarly debate has turned to analysing processes of neoliberal restructuring, commonly referred to as 'globalisation' (see *inter alia* Harvey, 1990, 2005a; Held and McGrew, 2000; Duménil and Lévy, 2004). One recent theorist has defined this process as an 'epochal shift' that is reconfiguring the world's previous spatial order (Robinson, 2004a: 4). In Robinson's view, economic restructuring has led to a situation whereby 'transnational space' now exerts a hegemonic influence over national space. The import of this development is that it implies (in Robinson's thinking) that resistance must now operate at this level as well (Robinson, 2003, 2004a, 2008). Indeed, this call for a transnational form of resistance has also been asserted in the influential works of Michael Hardt and Antonio Negri (2000; 2004). In contrast to this, other theorists have called for a

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[3]For a collection of essays inspired by this point see Castree *et al.*, 2010.

[4]As Ollman (2003: 4) cogently argues in regard to this point; "If most of its inhabitants don't even see capitalism, the system, then any efforts to explain how it works must be accompanied by an equally strong effort to display it, to show that it exists, and what kind of entity it is."

politics of 'localisation' as a means to deal with emergent global problems (Hines, 2000). Still others have questioned the very narrative of globalisation, claiming that it is a disempowering discourse that hides the fact that the state retains key powers to regulate these 'global' forces should it choose to do so (Hirst and Thompson, 1999; Weiss, 1998). Another school - the so-called global transformationalists - claim reforms to global capitalism below the nation-state level and at supra-national level will serve to kerb its current excesses and serve to humanise it, whilst still being able to utilise the power of the market to create a form of global social democracy (Held, 2004; Held and McGrew, 2002). An adequate understanding of the dynamics of capital accumulation thus becomes an urgent task if we are to address questions of how an alternative politics can begin to articulate itself. This process-based perspective is imperative if we are not to engage in a form of 'spatial fetishism' (Harvey, 1996: 353; Massey, 2005: 101). As David Harvey (1990: 218) counsels, "Any project to transform society must grasp the transformation of spatial and temporal conceptions and practices." It is precisely this challenge that this research seeks to undertake.

It is widely recognised that the process commonly referred to as 'globalisation' (a term itself highly imbued with a sense of the spatial) has led to profound shifts in geographical restructuring. As Neil Smith (2008: 1) asserts: "one can hardly look at the world today without perceiving that, at the hands of capital, the last two decades have witnessed an emerging of geographical space more dramatic than ever before." However, the term 'globalisation' remains a heavily contested one, with scholars remaining locked in profound debate about its meaning and scope. If academic enquiry is to have any utility, then, concurrent with Justin Rosenberg (2000), we must take care not to confuse 'explanans' with 'explanadum'.[5] In other words, globalisation (defined here as the deepening transnationalisation of production and finance) is itself the object that needs to be explained. Taken on its own terms 'globalisation' does not possess any power of causality. Recognition of this fact suggests a particular methodological approach for research. Specifically it is submitted here that we employ the dialectical method of Marx to 'read history backwards' (Ollman, 2003: 118). Here,

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[5]'Explanadum' is the phenomenon that needs to be explained whereas the 'explanans' is the solution or answer to a particular problem.

surface appearances are not simply taken for granted, but rather what exists in the here and now is treated as a set of contingent social relations that also require explanation. A dialectic approach is thus one that focuses on social processes rather than 'things' (Harvey, 1996: 49). To hold otherwise is to ignore the past whilst becoming stuck in the present. Marx and Engels (1845/1996: 836) contemptuously wrote of those who were not prepared to understand the ephemeral nature of their current circumstances stating that:

> The selfish misconception that induces you to transform into eternal laws of nature and reason, the social forms springing from your present mode of production and form of property - historical relations that rise and disappear in the progress of production - this misconception you share with every ruling class that has preceded you.

It is only through the practice of abstraction and historical excavation that we are able to examine what *processes* have led to the situation we are now faced with as well as helping us point towards future tendencies. As Lefebvre (1961/2008: 111) correctly illustrates, this method does not postulate absolute necessity, but also rejects the idea of absolute chance. Thus, in order to explore what lies at the heart of the recent changes in the geography of the world economic order, we are required to look at the social relations specific to the capitalist mode of production (as will be explained in further detail in Chapter 2). This necessitates that we therefore go beyond surface appearance and engage in an act of defetishisation. This is an important intellectual task, as far too often these changes are presented as part of a transhistorical march of progress which we can do nothing about. We are told, to borrow Margaret Thatcher's famous maxim, that "There is no alternative". However, as Doreen Massey (2005: 84) has pointed out this is a discursive exercise which hides the nature of contemporary globalisation as a political project.

That the global restructuring of space that has occurred since the 1970s is not without contradiction and friction is certain. The unresolved tensions encapsulated within this process are summed up perfectly by Henri Lefebvre (1991: 351) who asks:

How and why is it that the advent of a world market, implying a
degree of unity at the level of the planet, gives rise to a fractioning
of space - to a proliferation of nation-states, to regional differenti-
ation and self-determination, as well as to multinational states and
transnational corporations, which, although they stem this strange
tendency towards fission, also exploit it in order to reinforce their
own autonomy? Towards what space and time will such interwoven
contradictions lead us?

Building upon this question, the thesis will draw upon the concept of 'uneven
and combined development' as a vital explanatory tool with which to understand
the capitalist production of space. Propelling this is the contradiction between
the need for capital to embed itself into the built environment in order to produce
surplus value on the one hand, and the necessity to seek out new profitable areas
for accumulation on the other (Harvey, 2006b: 380, Brenner, 1998). According
to Lefebvre (1961/2008: 3), "uneven development remains the prime law of the
modern world, and there is much to learn and be said about it." Neil Smith (2008:
155-159,187) has outlined how uneven development involves a contradictory dy-
namic, leading to the equalization of the conditions of production across space
on the one hand, whilst accentuating the differentiation of space on the other.
The spatial, in other words, should be seen as *the geographical expression of class
struggle* or, as Henri Lefebvre (1991: 55) has decisively put it, "Today, more
than ever, the class struggle is inscribed in space." This astute observation will
be a leitmotif of the thesis, demonstrated through empirical investigation. It is
precisely this issue of spatial transformation and contestation in the present that
is in fact missing from the recent literature on uneven and combined develop-
ment within the historical sociology of international relations. Justin Rosenberg
(2006: 316), for example has sought to extend the term so that the world, and
therefore world history, can be understood as an ontological whole. Uneven and
combined development in this usage therefore collapses the false distinction be-
tween the domestic and the international, but nevertheless allows us to focus on
its very real sociological constitution (Rosenberg, 2006: 327). Extending this
analysis, Rosenberg has sought to provide a social theory of the international by

stressing that uneven and combined development is in fact a 'general abstraction that is foundational to what development actually is (for a debate around this issue see Callinicos and Rosenberg, 2008). Uneven and combined development is thus posited as a universal law of human history (Rosenberg, 2010: 179-184).[6] This argument is made by extending the philosophical arguments back to hunter-gatherer societies and the original establishment of political societies. Elsewhere, the term has gained currency in examining the geo-politics of the inter-state system though an analysis of social property relations (Lacher, 2006; Teschke, 2002, 2003, 2005). As Bruff (2010) summarises, this has meant the current literature is most comfortable when intellectual efforts are devoted to the study of pre-contemporary history which marks their substantive field of inquiry. However, as Neil Smith (2006: 181-184) has trenchantly argued, this has the danger of removing the social purpose of the concept of uneven and combined development, which was originally deployed by Trotsky "to analyse and evaluate the possibilities and trajectories of revolution." Smith contends that approaches to the concept that are de-spatialised are also de-politicised. Mindful of this point, the thesis seeks to be cognisant of spatial concerns throughout. Indeed, just as David Harvey (2006b: xix) has submitted that historical materialism should really be re-conceptualised as historical-geographical materialism, the arguments crafted throughout the thesis aim to highlight that historical sociology should likewise seek to transform itself into historical-geographical sociology.

1.4 Methodological issues

As has already been mentioned, this thesis adopts a historical-sociological approach to its excavation of the spaces of capital and the spaces of resistance that draws upon the dialectic method of inquiry. More specifically, it utilises both Michael Burawoy's (1998) 'extended case method' and Phillip McMichael's (1990) notion of 'incorporated comparison'.[7] As was alluded to above, the extended case method is sharply distinguished from positivist science which seeks

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[6]This argument was in fact originally made by Ernest Mandel (1968: 91) but Rosenberg seems unaware of this (or at least has not cited the text).

[7]The relevance of this method to current debates in historical sociology was introduced by Morton (2010).

to separate subject and object as well as fact and value. Instead, this method does not deny that we bring our own assumptions to the study of key academic questions. Rather, it is stressed that through reflexivity, these assumptions are "more like prisms than templates and they are emergent rather than fixed" (Burawoy, 1998: 11). The extended case method is an explicitly critical method of inquiry that forms 'situated knowledge' that is consciously interventionist in the social world. The purpose of the extended case method is thus to draw links between the unique and the general, and to move from the micro to macro. thereby extending outward from one spatial scale to another (Burawoy, 1998: 5). Closely related to this standpoint of seeking casual connections between cases is the method of incorporated comparison. This draws some inspiration from the 'encompassing' comparative methodology associated with scholars such as Immanuel Wallerstein (1974) and Charles Tilly (1984) in that it seeks to show the interconnections between social phenomena across time and space. However, the incorporated comparative method takes neither the whole (world system), nor its constituent parts (regions, countries etc) as fixed units of analysis. Instead, this method is attentive to the dialectic relation between them, and does not claim either as the prime locus of explanation. In McMichael's (1990: 386) words, the incorporated comparison method "progressively constructs the whole as a methodological procedure by giving context to historical phenomenon." The stress is on the cumulative process of history. Comparison therefore, "is 'internal' to historical inquiry, whereby process instances are comparable because they are historically connected and mutually conditioning" (McMicheal, 2000: 671). This approach therefore has the advantage of allowing us to appreciate the totality of capitalist relations whilst being attentive to its different articulations at different spatial scales. Borrowing from Gramsci (1971: 117) capitalism can thus be thought of as a "universal concept with geographical seats."

Following the critical orientation of this research, Latin America is focused upon due to the fact that the region has, and continues to offer, the most compelling site of resistance and alternatives to neoliberal capitalism. There are left, or left of centre governments in Venezuela, Bolivia, Cuba, Brazil, Argentina, Ecuador, Uruguay and Nicaragua. Moreover, the region has provided some of the

most dynamic and innovative experiments in radical democracy from the participatory budget and inception of the World Social Forum (WSF) process in Porto Alegre (Brazil), to the many vibrant social movements including among others. the Zapatistas (Mexico), the Sem Terra (Brazil) and the Piqueteros (Argentina).

The specific narrowing of focus to Mexico is made for a number of reasons. It was the only country in Latin America before 1950 to undergo a profound. protracted and bloody revolution, yet in spite of this it has also been the Latin American country which has most vigorously pursued the path of capitalist development (Weinert, 1981: 115; Hansen, 1971: 95). This was further enhanced by the signing of NAFTA in 1994, signalling most evidently the commitment to a neoliberal accumulation strategy. Moreover, and of necessity related to this, the country has produced some of the most visible and vibrant resistance movements that have sought to contest and remake political space, as well as inspiring globally, ideas about how neo-liberalism can be challenged and concepts such as 'globalization' or 'revolution' re-imagined (Holloway, 1998). Mexico thus provides fertile ground for considering the twin pillars of this research, the spaces of capital and the spaces of resistance. With regards to Oaxaca and Chiapas they have been chosen as case studies as they have been key sites of resistance in recent years, whose social struggles have had resonance both throughout Mexico and in the wider world.

Moving from research methods to techniques, the research for this thesis was done in three main ways. The first was through the use of secondary sources. These sources were utilised to aid the process of concept formation. As Gerring (2001: 350) states, formulating strong concepts "lies at the heart of all social science endeavours." Additionally, secondary research provided invaluable information on the background of the core research issues, both theoretically and historically. The challenge was then to combine these into an original analysis whilst constructing a coherent narrative. The second method employed was the consultation of primary data, in the form of statistical information. Utilising information of this kind helped provide empirical evidence for key theoretical claims that the thesis makes. Empirical data can also serve as a useful visual aid with which to present information to the reader to help demonstrate trends or

particular salient comparisons (for example the fortunes of a particular economic sector, or inter-country comparison).

Lastly, the research questions were addressed through extensive fieldwork. This fieldwork was undertaken in two parts. First, in 2008 a pilot trip was taken to Mexico in order to build contacts and conduct preliminary interviews. This period of fieldwork lasted for one month, during which time the states of Chiapas, Oaxaca, Puebla, Tlaxcala and the Distrito Federal (Federal District) were visited. This short trip also enabled lessons to be learned from experiences in the field that would be applied to the second period of fieldwork. For example, the first trip underscored the need to work intensively on learning Spanish. It also led to an appreciation of cultural nuances that would be important when seeking to engage interviewees. The second, more intensive fieldwork trip was then taken in 2009 for the duration of four months, during which the majority of time was split between Oaxaca and Chiapas. This allowed for sufficient research to be carried out on the two case studies. The case study method, as Giovanni Sartori (1991: 252) explains, can serve as a useful heuristic device that can facilitate theory building. Once again, this does not imply we need to sign up to a positivist methodology, as the reflexive extended case study method makes clear (Burawoy, 1998). The primary method used to collect data was though semi-structured interviews. The purpose of conducting interviews is to provide subjective insights into certain issues rather than seeking definitive truth. Interviews aid in interpreting existing research and can help shed further light on new topics. They can also help establish networks and provide access to other individuals and communities (Richards, 1996: 200). A semi-structured interview format was employed that meant although a prior list of questions was drawn up pertaining to major themes to be addressed, the topics covered during the interview could also be relatively fluid; depending on the particular responses from the interviewee (for example follow up questions might be raised in relation to a certain answer). Interviews were conducted with academics, Non-Governmental Organizations (NGOs). social movement activists. community members, journalists and social commentators (a list of which can be found in the bibliography). Interviews were generally recorded. This was done for a number of reasons. First, it allows the full attention of the interviewer to be focused on what the interviewee

is saying. Second it meant that a reliable transcript could be obtained (Richards. 1996: 202). However, due to the politically sensitive nature of some of the interviews, and the more ad-hoc nature of others, this was not always possible or desirable. In this case notes were taken at the time and then immediately written up in a more comprehensive fashion following the interview. Most of the interviewees are cited by name in the thesis. In these cases, the nature of the research has been explained and permission granted to use their names. In other cases, people are alluded to without specific names being attached. This was done due to interviewees wishing to keep their identity secret owing to security fears, or due to the more casual nature of the interview, taken down as part of fieldwork notes. This was obviously a chief ethical concern in reporting the research findings as some individuals or communities find themselves in vulnerable situations which this research would not wish to exacerbate.

1.5 Thesis outline

The thesis proceeds as follows. Chapter 2 begins by underscoring why a concern with the spatial is important. It also makes the case for focusing on two concepts related to the tradition of historical materialist thought, namely 'class struggle' and 'mode of production'. Once this has been done a theory of the production of space is outlined. A discussion of the characteristics of feudal/absolutist space is then offered before going on to consider what is distinctive about the production of space under capitalist social relations of production. Lastly, the contradictions involved in the actual or attempted capitalist transformations of spaces are highlighted, and the role of space for a politics of resistance is briefly discussed. Chapter 3 turns to analysing specific changes within world order, in particular the transition from the era of embedded liberalism to neoliberalism. The purpose of this is to extend the theoretical discussion from Chapter 2 to an analysis of developments in the international political economy. In particular it seeks to explore what is novel about spatial production in the epoch of neoliberalism. what role the state plays within this process and what the implications this has for a politics of resistance. It does this by subjecting one particular set of explanations of globalisation - the so-called 'transnationalisation thesis' - to critical scrutiny.

In particular it does so by considering another important contemporary school of historical materialist thought; that of uneven and combined development. Chapter 4 turns to analysing the production of space in Latin America. It highlights the manner in which Latin America has both been integrated to, and itself been a site, through which the global economy has been produced. It explores the region's development trajectory in terms of a contradictory spatial project and draws attention to the manner in which particular spatial divisions of labour have been constructed within the region. In particular it highlights the rise of neoliberalism in Latin America as an attempt to offset contradictions inherent to the capitalist mode of production by means of a spatial fix, drawing attention to the class basis involved in such a process. Chapter 5 deepens this analysis of state, space and class formation though an investigation of modern Mexico. Here Gramsci's key concepts of passive revolution and hegemony are utilised to explain the nation's development trajectory whilst situating these within the conditions of worldwide capitalist development. Chapters 6 and 7 offer detailed case studies of the states of Oaxaca and Chiapas respectively. These chapters analyse how spatial reconfigurations have come about, reflecting the changing way in which these states became integrated within the international political economy and also the changing accumulation strategies of the national state. Furthermore, these chapters have a detailed discussion of movements of resistance and their attempts to defend place and produce alternative geographical spaces that are not based on the logic of capital. It will be noted that Chapters 6 and 7 are substantially longer than the previous chapters. This is a conscious decision taken for a number of reasons. First, it was submitted above that current literature on uneven and combined development is remiss in not giving full consideration to issues of space in its theorisation. Likewise it was charged that historical geographical materialism had neglected engaging in a substantial manner with movements of resistance. In order to successfully counter this, a detailed examination is necessary which requires a lengthy exposition of the history of spatial production and contestation. Second, if a case is to be made that differing modes of production produce different spaces (as will be argued in Chapter 2), this needs to be substantiated empirically, again requiring that a large amount of historical information is covered. Finally, in contrast to Richard Sennett's (2002: 42)

method of post-holing which digs deeply into *specific moments* in order to depict the sweep of historical forces, this thesis by contrast seeks a wholesale *historical excavation* of space in order to reveal its sedimented layers which continue to influence current topographies and contribute to fissures.

The conclusion reviews the key arguments that have been made, and summarises its main findings. It also reflects on its limitations and presents problems for future research.

Chapter 2

Geographical Politics and the Politics of Geography

> The spatial is not just a matter of lines on a map; it is a cartography of power
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> ———————————————
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> Massey, 2005: 85

This chapter seeks to critically engage with debates surrounding the 'production of space' under capitalist social relations of production. The aim is to construct a theoretical framework whereby changes in the geography of the global economy, and resistance to these changes, can be understood. Furthermore, the framework developed here should allow us to examine these changes through a multi-scalar analysis. Rather than simply focusing on global, national or local changes, this chapter seeks to develop an approach which can integrate analyses on a variety of spatial scales. In short, it aims to serve as a framework of analysis, helping to explain why it is that struggles over space, and what particular spaces contain, are likely to become an ever more prominent feature of political life.

A central issue that this research seeks to address is the role of the spatial within the global political economy. Linked to this are ancillary arguments about state and class formation and their central role in these processes. This chapter thus lays the theoretical foundations for explaining the changing scalar organization of the world economy since the 1970s, viewed from a macro-structural

perspective and what this means for a politics of resistance (Chapter 3), how this impacted upon the space of Latin America as well state formation in the region (Chapter 4), the changing historical sociology of the state form (Chapter 5), and finally, it allows us to understand processes of geo-political conflict and class struggle around particular local spaces that are currently being targeted as sites for increased capital accumulation (Chapters 6 and 7). As was set out in the introduction, the first task is to make the theoretical argument in the abstract, before flesh can be put on these bones through empirical investigation. As Neil Brenner (2004: 18) has stated in relation to this: "consideration of the abstract level enables scholars to examine the general, systemic features of a given historical system." Noel Castree (2000: 10) usefully illustrates how it is in the realm of abstract argumentation that we organise our worldviews and then come to act out our everyday practices. Our conceptions of the world thus clearly matter, and motivate us towards action (Gramsci, 1971: 323-325; Harvey, 2010: 38). This chapter, whilst providing the beginnings of a theoretical framework, deliberately does not close that framework, as it is cognisant of the fact that theory is always modified and informed by the manner in which it works itself out in the real world. including processes of struggle (an issue to be returned to later). The 'concept' and the 'lived' in other words, remain inseparable and we cannot do without either (Lefebvre, 1976: 20).

An overarching focus on issues of 'space' can seem at first appearance to be something of an abstract concern. However, a 'politics of space' occupies a central part of our daily lives and promises to have profound effects on our future. One may think here of the peculiarly modern phenomenon of urban slum proliferation, the tragic plight of those who each year, fleeing political or economic persecution, mortgage their lives in the backs of trucks or other precarious means of transportation, only to be turned back at demarcated and fortified border lines, or the relocation of corporations to far-flung parts of the globe - to highlight just a few examples of how the politics of the spatial permeates conflicts and struggles throughout the world. Since the 1980s. we have also seen a rise in claims for spatial exclusiveness in terms of nationalism, or regional and localist identity (Massey, 1994: 4). A so-called 'clash of civilizations' thesis has gained

increasing credence (most notably since the events of September 11th 2001), especially among 'intellectuals of statecraft' to explain this phenomenon (Agnew and O Tuahtail, 1992; Huntingdon, 1993). This research seeks to construct an alternative framework for understanding geopolitical conflict. A central issue under investigation in this chapter is therefore the importance of the spatial in distinctly *capitalist* processes of development. After all, capitalism is the dominant socio-economic model for development in our time. Since the fall of the Soviet Union and the collapse of 'actually existing communism' in Eastern Europe, and following the reforms of Deng Xiaoping in China, there is little doubt that more of the world has become capitalist. Indeed, Francis Fukuyama (1992) has gone as far as to say that liberal-capitalism represents the 'end of history' in terms of a developmental paradigm, as it now has no ideological competitor (although he left open the caveat that history was always open to begin again). In the wake of the world credit crisis (the latest in a wave of financial crises that have afflicted the world with increasing frequency and intensity since the 1970s), it has once again become acceptable to discuss 'capitalism', and it indeed appears that people (in certain parts of the world more than others) are beginning to question what sort of history we wish to create. It is imperative therefore, that we understand why particular spaces are produced in the manner in which they are. Can we discern an internal logic to this process and, if so, in what general direction is this heading? Moreover, is this a process free of contradiction, or can we infer general tendencies from which we may make certain assumptions about the future, as well as uncovering potential agents of change? Furthermore, what does the changing geography of capitalist production imply for a politics of resistance? These are all issues which this research seeks to address. The empirical detail of these questions will be addressed in the forthcoming chapters when a *meso level* analysis will be conducted with regard to the global political economy and Latin America's relation to it. The *concrete level* of Mexico's incorporation into these structures is discussed in Chapter 5 before we go on to discuss the dialectic of incorporation and resistance in the cases of Oaxaca and Chiapas (Chapters 6 and 7, respectively).

The argument will proceed as follows. First, a general discussion of how to approach the problem of space will be rendered, and an argument will be made

for considering the relevance of class struggle to it. Second, it will be clarified what it means to talk about the 'production of space' and why the term 'mode of production' can serve as a useful heuristic device to explain spatial patterns. Third, a discussion of the difference between feudal and capitalist space will be examined, with reference to the different class relations that these modes of production embody, and thus the different social purpose that the spatial serves in each mode. This will serve to illuminate key tendencies for spatial production under capitalism that will then be further theoretically and empirically analysed in terms of the transition to neo-liberalism in the following chapter. Fourth, the role of resistance in shaping the production of place, space and scale will be discussed, before finally some conclusions are drawn. All of these above points will underscore the key claim that struggles over space are ever more integral to the modern world.

2.1 A crisis of subject matter?

As mentioned in the introduction, within the historical-materialist geographical tradition, approaches to political economy and world order have focused almost exclusively on the power of capital and issues of capital accumulation (see *inter alia* Harvey, 2006b, 2010; Smith, 2008). Although serving a useful function in pointing out some inherent antinomies of capital, there is also the danger here that the explanation of contemporary phenomena like globalisation are presented in highly structuralist and teleological terms, which focus only on the dominant (and therefore singular) narrative, thus eliding the multifaceted processes of contestation and subversion that have concomitantly been taking place, and unwittingly giving intellectual coherence to such a process. Whilst recognising the importance of discerning a logic to the movement of capital, this chapter is equally concerned with highlighting the dialectically related power of those who capital employs, seeks to employ, or else relies upon in other forms (such as the unemployed who can function as an industrial reserve army), as possible agents of change. It is also concerned with the potential of those who refuse to be dispossessed.

In concurrence with John Holloway (2002a: 40) it is argued that: "What we want is not a theory of domination but a theory of the vulnerability of domina-

tion." This changes the focus somewhat of who the subject of a given piece of research is. All too often, intellectual production is solely geared to analysing processes of capitalist expansion. Capital, in other words, becomes the subject of study, whereas people and places affected by this are viewed as the passive objects (Lebowitz, 2003; Chassen-López, 2004: 17).[1] Focussing upon the crisis-ridden nature of the structure of capitalism, John Holloway has offered a different type of paradigm, whereby we put 'crisis' at the forefront of our thinking. This change in perspective fundamentally affects one's research agenda. As Holloway (2008, personal interview, Cholula) explains;

> Crisis is important first and foremost as a methodological approach. What interests us is not the question of how capitalism works, but rather the question how on earth we get out of it. When we are talking about living in a crisis, we are not claiming that capitalism is about to collapse, but rather stressing that the question is one of crisis, the question is not one of domination. If you start with domination you close the world all the time. It seems to me, if you start with domination, there is absolutely no way out.

The approach developed here, whilst concurring with the spirit of Holloway's argument, demurs slightly, by arguing that in fact we *do* need to understand how capital works to understand how to get out of it. Without an understanding of the overarching field of force, we are unable to understand present fault-lines that are capable of being transformed into future earthquakes. Marx (1852/1996: 847) was profoundly aware of this need to explore the potential for the future from the standpoint of the present, writing: "Men *(sic)* make their own history, but they do not make it as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past." The spaces of capital and the spaces of resistance in other words cannot be separated from one another. As Bieler and Morton (2001) have argued, structure and agency can therefore be thought of as analogous to a Gordian knot.

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[1] This rejection of the singular narrative has been at the heart of much of post-colonial theory (see Ashcroft *et al.*, 2002).

It will be argued below that appealing to Gramsci's notion of hegemony allows us to both understand the structural power capital is able to wield, whilst at the same time being attentive to the manner in which this process is actively shaped by subaltern groups. Hegemony is defined by Gramsci (1971: 57) as the spiritual and moral leadership which the dominant class is able to exercise over society as a whole. Holloway (2005: 270) derides this concept, labelling it as a cop-out which crosses over to bourgeois theory. He further objects that it does not contain a theory of its own gravedigger and reinforces rather than dissolves relations of domination. However, this is based on a misreading of the way in which Gramsci deployed the term, viewing it as a continuous process rather than an accomplishment.[2] Hegemony does not remove the contradictions inherent in capitalist society. What it illuminates is the manner in which economy, politics and culture are interwoven, and how political power is constantly renegotiated as new social needs are produced and demands created (Lefebvre, 1947/2008: 49). Capitalism can thus be viewed as an inherently unstable form of power which is modified by subaltern class struggles and relies upon consent more than any system before it (Gramsci, 1971: 52-55; Lefebvre, 1991: 57; Rosebury, 1994). This brings us to the question of values. As David Harvey (1996: 10-11) has argued: "meaningful political action (and for that matter, even meaningful analysis) cannot proceed without some embedded notions of value, if only as a determination as to what is, or is not important to analyse intellectually let alone to struggle for politically." However, Harvey asks us not to conceive of values in timeless, non-dialectical terms. Rather we need to look at "processes of valuation." As stated in Chapter 1, in order to do this, we need to read history 'backwards', taking as our starting point the relative 'permanences' that exist in the here and now and examining the processes and flows that make up these permanences and which are essential to sustaining them (ibid: 63). It is only through doing this that we can grasp the essential point that place, space and scale are in fact, social relations (Massey, 1994: 2-4).

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[2]The concept of hegemony does not necessarily remove the idea that capitalism creates its own grave diggers. It does however move away from the vulgar Marxist view that this is predetermined and bound to the 'iron laws of history'. Moreover, it can help highlight how the gravediggers themselves can fall into the very graves they have dug.

That place and space are products of our interrelations and are thus dependent upon particular social processes to sustain them can be witnessed by examining any historical city of splendour that now serves as a tourist attraction under the name of 'ruins' (Massey, 2005: 3). Concomitant with this is also a change in the place's social function. For example, Machu Picchu clearly had a highly different social purpose when it was the main seat of monarchical power in the Inca Empire than it does now as a commodified global attraction. More recently, the breakup of the Soviet Union and the re-structuring of global capital, which has seen the decline of former Fordist heartland cities with the onset of deindustrialization in the West, and the converse surge in the development of industry in the emerging economies, also points to the contingent and thus changeable nature of space. The question that one must therefore ask, is, what are the dominant processes constructing modern forms of space? The approach adopted here, when answering this, is rooted in the historical materialist tradition of understanding the social world through processes of class struggle. It should be noted that with the fall of the Berlin Wall and the collapse of communism in Eastern Europe, as well as the increasing neo-liberalization of China, issues of class have come to be viewed as an anachronism that the social sciences can do without. If indeed the "past is a foreign country" where people do things differently, as LP Hartley (1953: 9) famously stated in his classic novel *The Go-Between*, then it has been conjectured that the language of class could only be understood there. However, Lyotard's (1984) invective against meta-narratives notwithstanding, it is submitted here that notions of class and class struggle remain vital for our understanding of the modern world. Without appeal to such concepts, our understanding of contemporary sources of structural power is highly blunted (Jameson, 1991: 349). Likewise without an analysis of class we are blinded to one of the most pernicious and pervasive forms of exploitation that exists today.[3] As Smith (2000: 1011-1016) rightly points out, the social sciences stopped using the term 'class'

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[3]Harvey (2010) refutes those who have claimed that the modern world has become too complicated for issues of class to be relevant any longer due to the multiplicity of subject positions we occupy, arguing: "Class is a role not a label that attaches to persons. We play multiple roles all the time. But we do not say that because most of us play the role of both car driver and pedestrians that it is impossible to plan a decent city around an analysis of relations between drivers and pedestrians."

precisely at a time when its relevance was being re-asserted with a vengeance in terms of global class formation, most notably in Eastern Europe, Asia and Latin America. Indeed, class remains the big 'non-issue' within the global economy.

This stress on class struggle should not be interpreted as some wistful longing for a politics of certainty, but rather an imperative explanatory device able to illuminate key issues in today's often opaque world. Frederic Jameson (ibid: 331) succinctly explains the connections between class politics and political mobilizations, postulating that,

> What is sometimes characterised as a nostalgia for class politics of some older type is generally more likely to be simply a 'nostalgia' for politics tout court: given the way in which periods of intense politicisation and withdrawal are modelled on great economic rhythms of boom and bust of the business cycle, to describe this feeling as 'nostalgia' is about as adequate as to characterise the body's hunger before food as a 'nostalgia for food'.

Thus, concurrent with David Harvey (2006a: 202) when explaining geographical processes of restructuring, it is argued here that, "if it looks like class struggle and acts like class war then we have to name it unashamedly for what it is." The further case for this assertion will be made over the rest of this chapter and subsequent chapters. This does not mean of course accepting that other struggles around issues such as gender, sexuality, the environment etc are not important, merely that they largely predate capitalism, and thus the form they adopt within capitalist society is one dominated by an ever deepening class antagonism that is shaping society (Lebowitz, 2003: 151; Ollman, 2003: 162-3). In other words, it is hard to discuss these without also engaging in a wider debate about class. An understanding of modern capitalism for example cannot proceed without a discussion of natural resource exploitation or an understanding of how class struggle has been both racialised and gendered (Smith, 2000: 1013-1015). This does not mean we can be insensitive to issues such as cultural difference. Rather, it is to assert that these questions are frequently inseparable from place-specific constructs of political-economic power (Harvey, 1993: 21). This point shall be taken up in detail when indigenous struggles in southern Mexico are considered

in Chapters 6 and 7. In relation to these issues, Marx (1843/1996: 766) perhaps put it best when he argued: "It is by no means sufficient to ask: who should emancipate and who should be emancipated? Criticism has to be concerned with a third question. It must ask: *What kind of emancipation is involved* and what are its underlying conditions."

The central issue therefore, as Michael Lebowitz (2003: 186-7) points out. is whether these new social actors take part in collective struggles against capital's role as mediator of social life, and help identify new organizing centres of resistance (on the relation of this to environmental politics. see in particular O'Connor, 1998). These struggles therefore become class projects when they entail "a direct challenge to the circulation and accumulation of capital" (Harvey, 1996: 401).

As well as seeking to contribute to an understanding of space and class formation under capitalist social relations, this chapter also seeks to make an intervention into the debates surrounding the future of geo-politics. A concern with what the development of capitalism implies for the future of the state form and issues of inter-state conflict has long played an important role in historical materialist writings (Kautsky, 1914/1970: 151; Lenin, 1917/1987a). Within recent Marxist circles the future of geo-politics has once again become a central category of debate (see *inter alia* Anievas, 2010; Harvey, 2003; Robinson, 2004a, 2007; Wood. 2005). However, many of these debates (the protestations of the authors notwithstanding) actually view geo-politics in rather state-centric terms. That is to say they fail to come to terms with novel processes of de-territorialisation and re-territorialisation and thus continue to focus only on conflicts taking place between nation-states, thereby ignoring internal and/or sub-national forms of geopolitical conflict (Callinicos, 2007; Harvey. 2003; Van der Pijl, 2007). Others commit the opposite error of assuming processes of complete de-territorialisation and thus construct an aspatial view of globalization which assumes there is now simply one form of global society (Ohmae, 1999; Hardt and Negri, 2000; Robinson, 2004a, for a critique of this position see Brenner. 2004: 47-56; Massey. 2005: 82). These theories thus fail to engage in a substantial manner with any theory of the spatial as an ongoing site of change. This chapter, whilst mindful of the key role of the state in the production of space under capitalist social relations.

is also attentive to the manner in which the scalar organization of the state is itself a contingent phenomenon that is currently being reconfigured under contemporary patterns of geographical restructuring to include both supra-national and sub-national articulations of hegemony (a point to be taken up in greater detail in Chapters 6 and 7). Drawing from the tradition of critical geo-politics, this chapter thus aims to deploy the term in the wider sense of the meaning e.g. the struggles to shape place, space and scale for a particular social purpose. This entails that we not only take cognisance of the role of the state in inducing particular transformations, but also take the historical geography of the state form as a contingent set of social relations that is subject to evolution and change (a theme to be taken up in more detail in Chapters 3, 4 and 5). It will be demonstrated here that a differentiated geography remains vital to the political functioning of capitalism, and likewise that it is through the creation of this geographical difference that the politics of capitalism expresses itself most vividly. As David Harvey (2010: 161) argues in relation to this point: "Geographical diversity is a necessary condition for, rather than a barrier to, the reproduction of capital. If the geographical diversity does not already exist, then it has to be created." Whilst this is an important point we must keep in mind, it is equally vital that processes of resistance are also recognised as vital to geo-politics and the production of space. If there was no resistance there would be no need for a political project (O Tuathail, 1996: 12). Moreover, as will later be explained, resistance is itself the pre-supposition and major force of spatial difference. Lefebvre (1966/2009; 1979/2009) refers to this process of resistance as *autogestion*. This is defined as an anti-statist collective struggle to shape social life in the interests of the subaltern classes that aims to overcome alienated conditions of existence under capitalism. Rather than an end condition, *autogestion* is theorised as a process that at the same time serves a reflexive, auto-pedagogical function. Thus, "Each time a social group... refuses to accept passively its conditions of existence, of life, or of survival, each time such a group forces itself not only to understand but to master its conditions of existence, *autogestion* is occurring (Lefebvre, 1979/2009: 135). *Autogestion* aims at the creation of a genuinely differential space, "which represents for capitalism an antagonistic and ruinous tendency" (Lefebvre. 2003:

98). This idea of alternative spaces of resistance will be developed in detail in Chapters 6 and 7.

2.2 The production of space

"Geography", Gearoid O Tuathail (1996: 1) argues, "is about power. Although often assumed to be innocent, the geography of the world is not a product of nature but a product of histories of struggle between competing authorities over the power to organise, occupy and administer space." Perhaps the figure who has done most to inspire thinking on space and its importance for everyday life is Henri Lefebvre (see in particular Lefebvre, 1947/2008, 1991, 2009). In the opening pages of his classic treatise *The Production of Space*, Lefebvre (1991) highlights how 'space' is a much-misunderstood concept. He seeks to make the distinction between the classic Euclidian or Cartesian concept of space which views the world in terms of a fixed, timeless and mappable essence; somehow 'out there' and simply occupied by actors, and conversely social space that is an ensemble of social relations that is produced through human agency (see also Brenner, 1999: 41). The key point that Lefebvre wishes to stress is that, contrary to how some philosophers have conceived space, it is not simply imagined into being, nor does it exist independently of social action. Rather, spaces are created and transformed through material activity. Mental spaces and social practice according to this conception can thus not be divorced (Agnew and O Tuahtail, 1992; O Tuathail, 1996: 51, see also Bieler and Morton, 2008).[4] Space in other words is a social product and should not be conceived as the "passive locus of social relations" (Lefebvre, 1991: 26, 11). Rather 'space' needs to be seen as

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[4]Lest this be thought of as something of an abstract discussion, numerous authors have shown that the way in which we conceive of space has direct political effects. For example European colonial expansion could be justified on the basis that particular territories appeared blank on European maps (O Tuathail, 1996: 25). As Doreen Massey (2005: 4) powerfully argues with regard to this mindset, it is to ignore the essential multiplicity of the spatial and is a systematic means of denying other cultures and peoples their own history (cf. Wolf, 1997). It is this very type of discourse however that dominates modern developmentalism. Thus spaces that have not subjected themselves to capitalist social relations are derided as 'backwards' and in need of transformation or opening (as well be explored in detail in Chapters 4 and 5). Once again then, we see that mental conceptions are intimately connected to political behaviour.

the embodiment of these very relations. This is because "the social relations of production have a social existence to the extent that they have a spatial existence: they project themselves into a space, becoming inscribed there, and in the process producing that space itself" (Lefebvre, 1991: 129, see also Massey, 1995; Massey, 2005: 9). Rather than the realm of stasis, the spatial instead therefore needs to be rethought as a site of ongoing production (Massey, 2005: 9-12). Space is thus not an empty stage onto which social relations are projected, but rather it is these relations themselves that contribute to the changing *mise-en-scène* of development. It is therefore through a reading of the spatial that the power relations of society can be uncovered. Once this point is recognised, it is a logical step to inquire about what production processes dominate society, how social relations are organized under that particular type of production process, and how these in turn affect the manner in which space is produced. The central question we must therefore ask is; "If space embodies social relationships how and why does it do so? And what relationships are they?" (Lefebvre, 1991: 27). For Lefebvre (ibid: 51) the important point to recognise is that all modes of production occupy particular spatial patterns and furthermore every society or mode of production produces its own space and rhythms of life (see also Jameson, 1991: 364). This is necessary for society's reproduction. David Harvey (greatly influenced by the work of Lefebvre) clarifies with regard to this point; "Objective conditions of time and space are necessarily created though material practices that serve to reproduce social life" (Harvey, 1990: 204).

The concept 'mode of production' thus becomes a key term for our investigation, although as Lefebvre (1976: 61-63; 2003: 88) qualifies, this does not mean reducing space solely to the generic features of a mode of production, nor should the concept be 'rigidified' and coherence stressed at the expense of contradiction. Instead, as Eric Wolf (1997: 76) has outlined: "the utility of the concept does not lie in classification but in its capacity to underlie the strategic relations involved in the deployment of social labour by organized human pluralities." It furthermore reveals "the political-economic relations that underlie, orient and constrain interaction." This captures the proper dialectical relationship between being and becoming. Understanding spatiality through an analysis of modes of production thus reveals a fundamental point that whilst, on one hand, spaces are actively

produced through human agency, on the other hand they conversely exert, once created, a powerful influence serving to shape the rules and boundaries of our interaction (Peck and Tickell, 2002). It is in this sense we can draw upon Gramsci's notion of hegemony: the means by which class forces are able to exercise a leading role within society. Indeed, Gramsci is profoundly aware of how spatial forms serve to influence public opinion from architectural forms to street layouts (Gramsci. 1971: 30-33; Bieler and Morton, 2008: 118, see also Jessop, 2005).[5] Lefebvre (1991: 26) draws upon this concept to proclaim that space: "in addition to being a means of production is also a means of control and hence of domination, of power."

In the need to uncover the relationships embedded in spaces we need to move from analysing things 'in space' to analysing the production of spaces themselves (Lefebvre, 1991: 89). Drawing upon Marx's analysis of commodity fetishism, where Marx (1867/1974: 76-87) took the everyday appearance of the commodity and abstracted backwards to show the social relations it concealed, so too does Lefebvre seek to uncover the relationships that lie behind the production of particular spaces. This calls for a dialectical method of investigation in which the properties of the totality or social whole are sought to be rendered explicit. All too often in the realm of modern academic inquiry space is not treated as a conceptual whole, but rather particular pieces of it are examined. This is an explicitly bourgeois method of investigation that ignores the vital role of internal relations that relate these constituent parts to one another (Lefebvre. 1991: 91, 107; Ollman, 2003).[6] Moreover, as Eric Wolf (1997: 18) has definitively demonstrated, it is a fallacy to believe that particular spaces have ever existed in isolation independent from "larger encompassing relationships, unaffected by larger fields of force." This does not mean spatial differences are ignored. Rather it requires that we are attentive to *how* spatial differences are *produced* (cf. Trotsky, 1930/1962: 22-25). As a methodological approach this requires that we are

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[5]Perhaps the paradigmatic example of this would be Haussmann's redesigning of Paris under Louis Napoleon to deal with concerns about potential insurrectionary activity (Scott, 1998: 61). However, a stroll through any major Mexican city (as just one example) reveals the manner in which street names foster a sense of collective national identity bearing as they do the names of larger than life characters of the country's history as well as symbolic dates.

[6]Michel Foucault, in his work on the prison (1979) and the clinic (1989), although tracing the genealogy of these spatial developments, fails explore the possibilities for their transgression.

cognisant "of processes that transcend separable cases. moving in, through, and beyond them, and transforming them as they proceed" (Wolf. 1997: 17). As was set out in the introduction, this requires that we utilise the concept of uneven and combined development as a social theory able to grasp this phenomenon, whilst being attentive to its particular characteristics under capitalism as a mode of production (a point to be elaborated later in the chapter).

Thus far, we have established that it make sense. and indeed is vital to recognise that 'space' is a socially-produced phenomenon. The case has also been made for analysing space in terms of a dominant mode of production. We need to move now from the abstract to the concrete and look at the very type of social relations that predominate under the capitalist mode of production to see what (if indeed anything) is particular to this kind of space. In order to draw out the unique nature of capitalist spatiality, it is essential that we contrast it with the spatial patterns of feudalism, as the transition from one mode to another ought to imply that rather different types of space are produced (as each mode mobilises social labour in a distinct manner). This step is vital to the dialectic method of inquiry. as it helps explain essential preconditions of capitalist accumulation and in doing so itself illuminates an essential element of capitalism's character (Ollman, 2003: 149). As Marx (1867/1974: 668) writes in relation to this point: "The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former." This shift should consequently exemplify a novel articulation of spatial forms (Lefebvre, 1991: 46).

2.3 Kings, nobles and churches: the Holy Trinity of feudal space

With regard to feudalism, Lefebvre (1991: 53) is quite clear that, "medieval society - that is, the feudal mode of production, with its variants and local peculiarities - created its own space... Manors, monasteries, cathedrals - these were the strong points anchoring the network of lanes and main roads to a landscape transformed by peasant communities."

When discerning the logic to this spatiality, it is vital to note that under feudal and absolutist property relations "the strategies for expanded reproduction of the ruling classes, organized in the patrimonial state, remained tied to the logic of 'political accumulation'" (Teschke, 2002: 11). Although they contained differences, both feudalism and absolutism can thus be classified as variants of a tributary mode of production where extra-economic coercion pertained as the dominant method of mobilizing social labour. This brought with it specific geographical patterns that were relatively fixed. As Marx outlines (1844/2007: 61) "The serf is the adjunct of the land. Likewise the lord of an entailed estate, the first born son, belongs to the land. It inherits him." Drawing upon this idea, Lefebvre (2008/1947: 30-31) argues therefore that labour and everyday life were far more interwoven in this period, giving a particular rhythm to life as well as providing for a form of collectivity.

Another key aspect of feudal space was the preponderance of religious power, with Jerusalem believed to be at the centre of the world and representations of divine order dominating the cities in the form of ecclesiastical property (O Tuathail, 1996: 3). This dominant iconography also corresponded to the organization of political power. As Lefebvre (1991: 266-67) succinctly illustrates: "the social edifice resembled a cathedral" and indeed these imposing monuments themselves helped sustain "the belief that the tops of the cities grazed the vault of Heaven and embodied the celestial virtues; the belief that those at the top of the social pyramid rubbed shoulders with divinity."

This production of space inculcated with notions of the divine holds true for almost all tributary forms of society. One may think of the Aztec city of Teotihuacan, or the Ancient pyramids of Egypt to realize this is not simply a European phenomenon. Indeed, this claiming of a divine right of power is an essential hallmark of all tributary societies where those at the apex of political power not only seek to separate themselves from the rest of the population, but "claim supernatural origins and validation" (Wolf, 1997: 83). The key point to recognise is that class relations were very much legible within this mode of production. It was a type of space that was "imbued with social meaning" (Smith, 2008: 107). As Lefebvre (1991: 267) concludes, this mode of production "if not utterly transparent, certainly had a great limpidity." No one could observe the

Hacienda or the estate and not see the social relations involved. To borrow from Marx and Engels (1845/1996: 814), everywhere the ruling space was the space of the ruling classes. Indeed as a method of political control this was an essential feature of feudalism. One can thus discern that the social function of space was to reinforce a narrow form of class rule through the projection of fundamentally unequal social relations that had to be naturalized for the system of exploitation to function efficiently. Furthermore, space during this epoch was fallaciously viewed as an object that could be captured, rather than something that was constantly produced. This was highly interwoven with the dominant property relations of the era which governed the form of spatial integration.[7]

Although, as Eric Wolf (1997) has documented, long-distance trade routes existed prior to this era of European expansion, we can note here that outright plunder became the dominant form of spatial integration, leading to the creation of a global scale for the accumulation of wealth, from the sixteenth century onwards (Lefebvre, 1991: 280; Sassen, 2006: 82). This was directly related to the expansion of European empires. With empire building in Europe itself proving too expensive, new 'peripheral' sources of wealth were consequently sought out. In seeking to explain this production of space and spatial relations, it is helpful, following Leon Trotsky (1930/1962: 10), to ask the question of what the 'social needs' of a government are. As well as relying upon extra-economic coercion as the primary means of obtaining surplus, the prevailing economic philosophy of this epoch was one of mercantilism, which implied a fixed limit to the world's wealth. Under this system, territorial accumulation was seen as a key source of income. With limits on the amount of tribute that could be extracted at home, new wealth had to be sought abroad. This was necessary to enhance the prestige of the dynastic states, helping to consolidate the rule of particular leaders as continuing economic growth was essential to maintaining their support from rival claimants to power. Furthermore, this was a distinct class strategy that

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[7]Kees van der Pijl (2007) has recently made the case for looking at historical forms of spatial integration through the concept of 'modes of foreign relations'. However, this is to ignore the fundamental question of why it is that societies spread beyond their immediate locale. Modes of foreign relations can thus be better understood as arising from the imperatives generated from the mode of production as this chapter will seek to demonstrate.

served to reproduce these particular social property relations (Teshcke. 2002: 11-12). Taken together, these 'social needs' translated into aggressive geo-political competition between proprietary kingships that fought one another for wealth and trading advantages in a perceived zero-sum game (Agnew, 1994: 65; Sassen, 2006: 84; Teschke, 2002: 22).

Principles of territorial exclusivity - much taken for granted today - were far more fluid in this epoch, governed as they were by multiple overlapping spatial domains of power, occupied by various groups including kings, lords, nobles and church authorities (Sassen, 2006: 146). However, with the increasing accumulation of wealth from the sixteenth century onwards - and the accompanying growth of commercial centres - previous spatial forms such as medieval towns, fiefdoms, city states and principalities were slowly subordinated to the space of the nation (Lefebvre, 1991: 280). Highlighting the historical significance of these developments, Sassen (2007: 5) argues that:

> Notwithstanding different origins and starting times across the world, the history of the modern state can be read as the work of rendering national just about all the crucial features of society: authority, identity, territory, security, law and economic accumulation. Periods preceding those of the ascendance of the national state saw rather different types of scaling, with territories subject to multiple systems of rule rather than the exclusive authority of the state

The production of national space had the corollary of constructing things such as capital, state, gender, age, and of course, class (Ghani, 1993: 56). This development not only implied the development of a larger market and commercial relations that could draw in pre-existing ones, it also entailed a particular class strategy of violence as it presupposed "a political power controlling and exploiting the resources of the market or the growth of productive forces in order to maintain and further its rule" (Lefebvre, 1991: 112). A spatial division of labour was also established between the town and countryside (Lefebvre, 1991: 256; 2003: 84). The development of the space of the nation was thus tightly interwoven with the increasing accumulation of wealth. The analysis of Eric Wolf (1997: 99-109) concurs with this point, demonstrating how the boundaries of modern European

nation states - largely unquestioned today - could, and indeed were. drawn very differently in the past, for example with sea-based empires. or combinations of various power alliances. However, the emergence of the nation-state as we know it today was intimately bound up with the expansion of trade and markets. This not only necessitated an organization larger than any single merchant, guild, or body of soldiers, but also required an apparatus of control and coercion to maintain tributary forms of power and commit this form of social labour to a particular goal. The origin of the modern state-system was therefore inseparable from the furtherance of class rule.[8] The development of national and global markets also led to the rise of new social groups such as merchants, bankers and manufacturers who would later begin to consolidate themselves as a class opposed to the restrictive forms of property relations that inhered under feudalism (Sassen, 2006: 87). The important point to note here is that the international system of states in fact *preceded* capitalism. To borrow Hannes Lacher's (2006: 16) phrase, capitalism was 'born into' a particular form of spatiality in many ways inimical to its form of social relations.[9] This is in contrast to the received wisdom that associates the rise of the space of the nation-state directly with the development of capitalism, an argument that in fact elides much of what is novel about its spatial dynamics. The fallacy of this position is to confuse the development of *wealth* with the development of *capital*. As Marx (1867/1974: 668) is at pains to point out though: "In themselves money and commodities are no more capital than are the means of production and of subsistence." Contrary to those who therefore see a linear path from merchant wealth to modern capitalism, Wolf (1997: 85, 87) argues capitalism actually represents a qualitatively new form of mobilising social labour. On this basis we must take care to distinguish between merchant wealth and capital. This is because, as Wolf continues (1997: 87), the merchants of this time "did not yet buy labour power in a market in which workers compete

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[8]Engels (1935: 333) offers a useful periodisation to show how particular periods of class rule display corresponding changes in state formation, from the ancient societies of the Greeks, through the Middle Ages to the present. This nexus between the state and class power will be thoroughly discussed when the notion of passive revolution is introduced in Chapter 3, and continued in in the proceeding chapters.

[9]This point is surprisingly not considered by Harvey (2001: 326) who rejects claims that "a prior theorisation of the rise of the capitalist state is necessary to reconstruct the historical geography of capitalism."

for available jobs, and he did not yet control the actual labour process. Surplus was not extracted not as surplus value but through unequal exchange within the framework of monopolistic and quasi-tributary relationships." We therefore need to recognise that capitalism came to be incubated within a spatial structure not of its own making. However, as Sassen (2006: 15) has demonstrated, it was the development of institutional capabilities in this era that would then become dislodged into a new type of organising logic. This would entail a long process of class struggle and a reconfiguring of this state form, leading to fundamentally different forms of spatial and scalar organization. The key question, therefore, is what is the specific geography that characterises capitalist society, and how is this geography altered as capitalism progresses (Smith, 2008: 3). Additionally, how are these spaces of capital contested by the spaces of resistance?

2.4 Spaces of capital

To understand how capitalist space contrasts with that of feudalism it is essential to clarify what the distinguishing features of this mode of production are. Marx (1894/1977: 879-80) identifies the hallmarks of capitalism as: generalized commodity production by 'formally free' wage labourers, surplus value as the "aim and determining motive of production" and lastly competition between individual capitals leading to a continual investment in the means of production in order to expand profit. Although all modes of production seek to fashion space according to their own particular dictates, "Under the social relations of capitalism...all elements assume a commodity form" (Harvey, 2006b: 223). Capitalism can be distinguished from previous class societies to the degree "it has integrated all major (and, increasingly most minor) life functions into a single system dominated by the law of value and the accompanying power of money, *but also in the degree to which it seeks to hide this achievement*" (Ollman, 2003: 3, emphasis added). This is a point worth dwelling upon. In contrast to the space of feudalism which explicitly sought to project relations of domination in order to achieve social control, under capitalism, which relies on the formally free exchange of equivalents on the market, this relation of class dominance must be hidden (Lefebvre. 1991: 311). The fact that we therefore need to uncover the social relationships inscribed

in space is a phenomenon specific to the production of what Lefebvre calls the 'abstract space' of capitalism. For Marx, the rise of capitalism involved the increasing domination of exchange value over use value leading to a situation where we 'fetishise commodities'. This is the process whereby the specific social relations that commodities contain are obscured and instead we come to endow them with an objective reality of their own (for example the idea that money exists independently of labour power). Rather than our interactions being mediated by actual relations, they come increasingly to be mediated by 'things'. The key point to note is that this can only occur when labour itself is transformed into a commodity that can be bought and sold, losing its creative character and becoming an empty universal, measurable by time (abstract labour). Just as Marx sought to show that, rather than things, what we really needed was a theory of the social relations that these things contained, so Lefebvre (2003: 87) argues that when people talk about and describe spaces, what we need is a theory of the production of space.

Lefebvre (1991: 49) shows how the transformation of class relations also leads to a particular spatial form: "It was during this time that productive activity (labour) became no longer one with the process of reproduction which perpetuated social life; but in becoming independent of that process, labour fell prey to abstraction, whence abstract social labour - and *abstract space*." In must be stressed that the term 'abstract' does not in any way imply that this space is any less real. As Merrifield (2006: 133) states: "Abstract space is a reality insofar as it is embedded in absolute space." Space is thus 'abstract' in the sense that all spaces produced under capitalism, although they may differ in appearance, increasingly are moulded to the same social purpose; to produce surplus value. This creates space that is both homogenous and fractured. It is homogenous in the sense that commodity and capital circulation requires that within space, things are equivalent and interchangeable, and fractured in the sense of space being broken down into various forms of private property (Lefebvre, 2003: 87).

The transition to capitalism, as discussed above, involves an essential change in the form of class rule, from that of the landed nobility to that of the bourgeoisie who are able to command social labour by virtue of the fact they own the means of production and control the flow of money power. Lefebvre (1991: 11) implores

us to recognise that space does not remain unaffected by this new organizing logic. Rather, the production of space is the *sine qua non* for the reproduction of capitalist social relations (Lefebvre, 1976). The geography of capitalism therefore entails "the increasing displacement of inherited pre-capitalist landscapes with specifically capitalist sociospatial configurations" (Brenner, 2004: 33-34). Thus feudal space, dominated by monasteries cathedrals, manor houses/haciendas, and landscapes dotted with peasant communities gives way to a space "founded on vast networks of banks, business centres and major productive entities... also on motorways, airports and information centres" (Lefebvre, 1991: 53). As numerous scholars have shown, the production of the built environment through fixed capital formation is a necessary precondition for the extraction and circulation of surplus value (Harvey, 2006b: 380; Smith, 2008: 6; Brenner, 1999: 44-45). For example, capitalist manufacturing industry necessitates the geographical form of the factory, that workers live within accessible distance to the place of work, the places which sell the goods produced, as well as the roads and infrastructure to move commodities from one area to another. However, as well as relying on a certain form of fixity, capital must also remain in motion in order for it to be able to seek productive outlets (Brenner, 1998). Whereas past modes of production had an essential conservative basis to their spatial form, seeking to hold down transformation where possible, and relying for political control on an essential fixity of space, capital develops as a revolutionary mode of production that actively needs to transform space for its own survival. Thus, capital is forced to create "new objective conditions of time and space in its search for profits" (Harvey, 1996: 240). Capitalism in other words has to constantly produce 'the new'. This process involves contradictions as well as problems of how to contain this socially (Lefebvre, 1976: 11). For example, the manner in which space is transformed can profoundly alter the character of particular places creating opportunities for some whilst dispossession for others. These transformations therefore frequently become the object of intense struggle (against de-industrialisation, highway or airport construction, the closure of mines etc.). This revolutionary and unsettling dynamic that capital brought with it was captured famously by Marx and Engels (1848/1996: 828) in the *Communist Manifesto* when they wrote with regard to this transition: "All that is solid melts into the air, all that is holy is

profaned, and man [*sic*] is at last compelled to face with sober senses his real conditions of life, and his relations with his kind."

However, it must be remembered that this process unfurled, and continues to unfurl unevenly across space. This is, at times elided by scholars such as Benno Teschke (2002: 31) who characterises the shift from absolutism to capitalism in Europe as representing the transition from political to economic accumulation. However, whilst this may be true as an over-arching ideal type sociological classification, it ignores the fact that the political accumulation working in symbiosis with economic accumulation remained an essential pre-condition for capitalism as well as an ongoing endemic feature.[10] Teschke in other words relies on a far too simplistic periodisation, viewing the transition from one mode of production to another in highly rigid terms. However, as was stressed earlier, the sociological term 'mode of production' should not be thought of as all-encompassing as it includes not only emergent but also residual counter-forces and tendencies (an important point to be returned to not only in the next chapter when the 'transnational thesis' is critically examined, but also when we consider indigenous 'spaces of resistance' in Chapters 6 and 7). It is this amalgam of social forces that necessitates the construction of what Gramsci (1971) referred to as historical blocs of class forces under capitalist social relations. This is what makes a hegemonic project necessary (Jameson, 1991: 406). Ignoring the continuance of political accumulation alongside economic accumulation thus omits an essential element to the production of capitalist spatiality, namely the role of colonial and imperialist practices (see Lenin, 1917/1987a; Ghani, 1993: 52-53). With regard to the importance of extra-economic conditions as a pre-requisite for capitalism, we need to examine the process of what Marx refers to as 'primitive accumulation'. In the previous section it was discussed how feudal work contained an explicit spatial referent for serfs in the form of being tied to the land. However, with the gradual erosion of Lordly power, peasants became de-facto owners of the land they worked. This link between the control of the land and peasant labour mitigated against individuals wanting to alienate their labour to a third party (an essential requirement of capitalist accumulation). To arrive at this situation thus

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[10]This is what David Harvey (2003: 145-6) has usefully termed 'accumulation by dispossession'. This concept will be returned to in detail in Chapters 6 and 7.

necessitated a form of *political* intervention. As Marx (1867/1974: 668) puts it: "The capitalist system pre-supposes the complete separation of the labourers from all property in the means by which they can realise their labour...The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production" a process that Marx reminds us is written "into the annals of mankind in letters of blood and fire." Historically speaking therefore, capitalism cannot be reduced to an economic logic but rather, from its inception, has been a 'political-economic phenomenon' (McMicheal, 2001: 204). A pre-condition for the production of the 'abstract spaces' of capitalism was therefore also the production of particular 'absolute spaces' - those of private property and spatial exclusivity (Smith, 2008: 116). In the context of Britain (the birthplace of capitalism), the forcible expropriation of the peasantry though the 'Acts of Enclosure' paved the way for peasant migration and the rise of urbanism, a hallmark of capitalist geography. 'Freed' serfs were thus transformed into wage workers for nascent manufacturing, as a new type of city began to be constructed in the image of *corporate* rather than church power.

The capacity of the state was vital to this project of transformation; a process James Scott (1998: 82) refers to as 'internal colonization'. However, the dynamic for this transition came from the absolutist social property relations pertaining in Europe that fostered aggressive geo-political competition. With tributary societies finding their ability to reinvest surpluses in war making capabilities limited, the British development of capitalism provided a model for others to follow, in which the newly developed credit system had proven to be more capable of financing war making capacities (Teschke, 2002: 32). As Marx (1867/1974: 711) noted with regard to other nations of the time in the transition to capitalism: "they all employ the power of the state, the concentrated and organized force of society, to hasten, hot-house fashion, the process of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one." Sassen (2006: 92) notes how the institutional capabilities developed in a past era were dislodged into a new organizing logic. Thus, "key capabilities developed in earlier phases can become foundational to a subsequent phase but only as part of the new organizational logic that in fact also foundationally repositions these logics." For example, in the English context,

structures of authority developed into a process of state formation that in turn facilitated the passage of laws to protect the emerging bourgeoisie. However. as Marx (1867/1974: 703) reminds us, "revolutions are not made by laws." Rather the rise of the modern state in England needs to be viewed as the result of a process of class struggle between the old nobility and the developing bourgeoisie who sought to establish themselves as a historical subject. It was owing to the restrictive form of property relations that the bourgeoisie were able to become hegemonic, that is to say, a class force that is able to lead through a modicum of consent rather than the use of pure force. Holloway (2002: 180) notes that the transition from feudalism was in many respects an escape from a mode of domination that was no longer acceptable to either side. Social change thus results when "the existing structure of society no longer satisfies the needs of people formed within that society" (Lebowitz, 2003: 163). A key element to introduce at this stage, however, is the uneven nature of the process of development and also therefore to state formation (this will be discussed in detail. in relation to Latin America, in Chapter 4 and, Mexico, in Chapter 5). Within the context of England, for example, economic growth and accumulation had been quasi-spontaneous. A compromise between the feudal nobility and the bourgeoisie in this context was reached in the process of state formation (Lefebvre, 1964/2009: 57). However, this relationship was not repeated worldwide. "It is evident", Lefebvre (ibid: 58) consequently concludes, "that the problem of the state does not arise at all in the same way in a country where the state follows growth. where the crystallisation of the state follows economic development, and in countries where it precedes economic growth." State formation thus occurs within the dynamic of uneven and combined development.

A central issue with the decline of feudal obligation to dynastic and religious authorities was that of political control (Agnew, 1994: 61). Gearoid O Tuathail (1996: 53) argues that it was through appeals to the notion of the 'state' as an entity locked in competitive struggle that both the violence of internal repression and the violence of imperial expansion were justified. Marx (1843/1996: 775. 769) noted that in relation to this, consciousness became split into public and private, and the state. although supposedly embodying the collective spirit of mankind. is used in actuality to preserve individual, egoistic rights:

> Where the political state has achieved its full development, man leads a double life, a heavenly and an earthly life, not only in thought or consciousness but in *actuality*. In the *political community* he regards himself as a *communal being*, but in *civil society* he is active as a *private individual*...he is an imagined member of an imagined sovereignty, divested of his actual individual life and endowed with an unactual universality.

As an ideological force then, the state takes over previous ideologies (Lefebvre, 1975/2009: 99). The development of the capitalist state also became a mimetic form others sought to emulate (Trotsky, 1919/1962: 174). Again we see that one cannot understand the processes of state formation without considering the concomitant processes of class struggle. The key point to recognise however is that new relations of domination begin to be constructed within the previous spatial structure of power. The nation-state was thus used as a protective shell to incubate the bourgeois classes, consolidating their hegemony on a limited spatial scale before expanding outward.[11] Giovanni Arrighi (1994) argues in relation to this point that hegemonic orders are articulated on ever expanding spatial scales, from city-states, to nation-states, to supra-national institutions (this argument regarding the scalar organization of accumulation will be taken up in greater detail in the following chapter). This process, however, entailed the construction of a far greater degree of spatial exclusivity than had been seen hitherto, as a new organizing logic built on modern notions of parliamentary sovereignty began to be constructed (Teschke, 2002: 8; Brenner, 1999: 47). The space of the nation-state thus needs to be firmly historicised. Rather than being a 'natural phenomena' it was in fact a space produced and transformed in line with a particular social purpose - that of furthering class rule. At the foundations of the modern state there is "the forced equivalence of non-equivalents: the (forced) equalization of the unequal, the identification of the non-identical." From its inception the nation-state has a logic of homogenisation about it, and plays a dual role both "as a *reducer* (of diversities, autonomies, multiplicities, multiplications, differences) and as the *integrator* of the so-called national whole" (Lefebvre, 2009/1975: 108).

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[11] As McMicheal (2001: 204) puts it, capitalism was constructed not only on a territorial scale but at the same time was a 'world-historical entity'.

However, although within Europe, transformations in the dominant manner in which social labour was mobilized began to be consolidated with the move towards purely economic accumulation, political accumulation in the form of colonialism also remained vital to the genesis of capitalism. Furthermore, the processes of uneven and combined development meant that autocratic states now found themselves "armed with all the material might of the European States" in which both parties could find mutual benefit (autocratic states in the maintenance of their power, European capitalist states with the high rate of return of usurious interest) (Trotsky, 1962/1919: 175, 182). Lenin (1917/1987) also highlighted the role of imperialism in the production of space, documenting in particular the way in which capital was exported and railway networks expanded in order to better take control of other nations' resources, as well as industry and the more arduous productive activities being established in the colonies. Scholars such as Teschke, are thus guilty of writing from a highly Eurocentric viewpoint when they discuss the transition to capitalism, as they ignore the persistence of tributary relationships in the periphery. Under the pressure of continuing force for example, India was produced as an export platform for British trade with China. This extraction of colonial tribute was vital to the construction of the modern capitalist world system. As Eric Wolf (1997: 261) succinctly explains;

> Indian surpluses enabled England to create and maintain a global system of free trade. Had England been forced to ban imports from the United States and Germany and to compete with them in foreign markets, American and German industrialization would also have been significantly slowed...Under English domination, India became a key foundation of the emerging worldwide capitalist edifice.

Thus far, then, we can conclude that from its inception capitalism grew through a process of uneven and combined development, in which the state played a strategic role in both the genesis and maintenance of the capitalist mode of production (Wolf, 1997: 100). The expansion of the capitalist mode of production did not therefore occur on a smooth terrain free of past relations, but in fact

developed in symbiosis with other modes of production.[12] This is an important corrective to those such as Teschke (2002) who view the transition to capitalist modernity as an all-embracing movement. As Doreen Massey (2005: 63) argues, on this reading the very term 'modernity' becomes imbibed with a spatialising character. World history and spatial differences are subsumed and simply reduced to the pressure of European expansion without due consideration of processes of contestation and struggle (this one-sided narrative of history is indicative of a certain liberal interpretation of the colonial period, e.g. Ferguson, 2004). However, the material pre-conditions for this very modernity were founded on distinctly pre-modern forms of exploitation which remained essential to the origins of capitalism. Just as Europe produced these countries, so too did this relationship produce Europe. This was a point recognised early on by Marx (1867/1974: 705, 711) who argued with regard to the origins of capitalism that, "The treasures captured outside of Europe by undisguised looting, enslavement, and murder, floated back to the mother country and were turned into capital", thus "the veiled slavery of the wage workers in Europe needed, for its pedestal, slavery, pure and simple in the new world." Drawing upon Doreen Massey (1993: 61) we must therefore remain attentive at all times to the 'power-geometries' of social relations across space. As well as examining movement and flows, we should be mindful of the manner in which they affect particular people and places, and the way in which they produce uneven and combined development within processes of world history.

2.5 Profit, space and uneven development

Unlike the space of feudalism, under capitalist social relations; "we do not live, act and work 'in' space so much by living, acting and working we *produce space*" (Smith, 2008: 15-16, emphasis added). This is what Lefebvre (1991: 89) means

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[12] Trotsky (1919/1962: 175) discusses this problem with regard to the role of state formation in Russia, demonstrating how the absolutist state evolved, relying on advanced forms of technology and social control developed in the West to sustain backwards forms of social relations, leading to rising contradictions and eventually revolutionary outbreak. Adolfo Gilly (1983) drawing upon Trotsky applies the same argument to Mexico.

when he characterises the shift from feudalism to capitalism as involving the transition from producing things *in* space to producing space itself. From its very beginnings, capital has had a geographically expansionary nature. This was determined by both the search for profit and efforts to universalise the value form, which spatial integration is vital for (Harvey, 2006b: 375).[13] Through the capitalist mode of production, nature itself is transformed and indeed *produced* (Smith, 2008: 48-81; Castree, 2000; Harvey, 2010: 75-85). Thus, despite appeals from orthodox political economy to notions such as 'comparative advantage', arguments for development based upon 'natural resources' are increasingly outdated. As Smith (2008: 140) points out, although appeals to natural advantages in climate or resources may have been useful in explaining an initial path of development, such explanations become increasingly redundant as capitalism progresses (see also Massey, 1994: 53). One may think here of industrialisation in Latin America (discussed further in Chapter 4), or the growth of world cities built on finance capital to empirically understand the point made by Lefebvre (1991: 49), that the development of capitalist social relations "smashed naturalness forever and upon its ruins established the space of accumulation." The import of this point is that any notion of environmental degradation must be considered in a more integral sense, and furthermore it must be related to the production of space (Lefebvre, 1976: 13, 105). On this basis, problems of the 'environment' can refer equally to those of global warming as they can a lack of urban housing, or access to social services. It should be clear that this also requires that we understand the term 'production' not just in terms of workers in a factory but also in a wider sense.

It was mentioned earlier that space is fundamentally being transformed through the increasing search for surplus value. This restless search for profit is the historical mission of the bourgeoisie as a class. As Marx (1867/1974: 558) famously put it: "Accumulate, Accumulate, that is Moses and the Prophets." The two levers which the bourgeoisie use to enhance their profits are through increases in absolute or relative surplus value, usefully characterised by Holloway (2002: 208) as the extension of property or the intensification of labour. Both forms have explicitly geographical implications. In terms of the extension of property,

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[13]For all commodities to be exchangeable they need to be comparable (e.g. be an increment of labour power).

capital's internal dynamic to grow beyond its current barriers was clearly recognized by Marx (1858/1973: 408) who wrote that "the tendency to create the world market is directly given in the concept of capital itself." The explanation of this tendency is more explicitly theorized in the *Communist Manifesto* where the spatial implications of capital accumulation are contrasted with previous modes of production. Here it is claimed that:

> The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones... The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere (Marx and Engels, 1848/1996: 828).

To understand why this is the case we must recognise that the essential class antagonism capitalism is founded upon, with those who control the means of production able to detain the commodities produced while those who are forced to sell their labour power must buy back the commodities they themselves produce. As Ollman (2003: 149) notes, the primary contradiction Marx sees in capitalism is between the increasing capacity of social production on the one hand, and its private appropriation on the other. This leads to profound spatial changes as the competition between individual capitals (identified earlier as a key element of capitalism as a mode of production) causes firms to pursue locational advantages in order to increase their profit rates (through either cheaper labour or a shorter turnover time). What certain spaces contain by way of their social relations thus becomes an essential component of capitalist production. Thus we can understand Harvey's (2006b: 440) point that "the production of spatial configurations is necessarily an active moment in the dynamics of accumulation." However, although capital seeks to overcome barriers in production, we must remember too

that capital is also a process of *circulation*. It is here that the narrow social relations that the system is built upon create its own limits (Harvey, 2006b: 426). As Michael Lebowitz (2003: 11) puts it: "the barriers capital faces in the sphere of circulation are not only external - they are inherent in its own nature." The private ownership of the means of production and the search for increasing profit thus cause the bourgeoisie to expand surplus value more than their ability to realise this surplus in circulation. In other words, the very exploitation of wage labour that is a pre-condition for the existence of capital is also its very limit to growth. This contradiction leads towards 'over-accumulation' and the tendency of the rate of profit to fall. Over-accumulation is defined by David Harvey (2003: 88) as "surpluses of capital (in commodity, money or productive forms) and surpluses of labour power side by side, without there apparently being any means to bring them together profitably to accomplish socially useful tasks."

These crises of over-accumulation can be solved in two fundamental ways. The first of these is to invest in technologically innovative processes (to increase the turnover time of capital circulation) or in other forms of fixed capital. These are forms of 'temporal fixes'. The second manner is to expand the process of capital accumulation itself, though the investment in new regions or areas of life into which the commodity form has not been extended (spatial fixes). This is helpfully defined by Robinson (2004: 7) as the extensive or intensive enlargement of capitalism. Lefebvre (1976: 21) submits that it is through this dynamic that capitalism has, contrary to the predictions of the early prophets of Marxism, been able to reproduce its social relations through the process of economic growth: "We cannot calculate at what price, but we do know the means, *by occupying space, by producing a space.*"

Thus we can see that capital as a mode of production is "an inherently mobile form of domination" (Holloway, 2002: 190). The concrete agents of this change thus include developers, urban planners, architects, landowners, bankers and political authorities (Lefebvre, 2003: 93).

However, it is essential that we recognise that this mobility is itself predicated on the strength of the subaltern classes to resist exploitation in particular areas. If capital is forced to move from one area to another, this necessarily implies that a) there is a limit to its form of exploitation in the place it seeks to move *from* and b)

this limit is thought to not exist or pose a lesser threat in another space. In other words, the uneven development of class struggle is itself postulated as a necessary basis on which capitalism must grow, as it is the uneven terrain of social relations that allows capital to resolve crises. Indeed it is only through a restructuring of the space economy of capitalism that new rounds of accumulation can begin (Harvey. 2006: 390; Smith, 2008: 177)). Recognising this point, Lefebvre (1991: 335) states clearly that uneven development, "so far from being obsolete, is becoming worldwide in its application - or more precisely, is presiding over the globalization of the world market."

In contrast to recent claims for the utility of uneven and combined development as a transhistorical concept (Rosenberg 2006, 2010), Neil Smith (2008: 4) argues that it must be viewed as the geographical expression of specifically *capitalist* development. This of course does not mean that prior to capitalism there existed evened development among tributary modes of production, but rather that capitalism produces a distinct type of uneven development that is essential to it as a mode of production (Smith, 2008: 134). This fact necessitates that we hypothesise class struggle as being central to the ontology of space (Massey, 1994: 22). If spaces contain different social relations, they must imply different levels of struggle in the first place. Unless this fact is admitted, we must consider wage differentials between countries as somehow fixed and natural. However, as has already been argued, nature is itself socially produced.[14] Harvey (2006b: 431) is at pains to point out that, these 'spatial fixes' in no way overcome the contradictory tendencies of capital. This is because ultimately only two outcomes can occur: there can be renewed accumulation - in which case crisis tendencies towards over-accumulation are exacerbated, or the value invested in the built environment becomes devalued as the investment turns out to be unproductive. In each case there is a place specific form of devaluation. However, thus far we

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[14]Drawing from this idea of produced nature, or what is sometimes referred to as 'second nature' offers a useful way out of the current debate as to whether uneven and combined development should be considered a 'general abstraction' applicable to all human history, or whether appeals of this sort become essentialising (Callinicos and Rosenberg, 2008). Utilising this approach would allow us to see that uneven and combined development may originally have been based in the natural world and thus can be posited as universal to human history. Nevertheless, as we increasingly produce nature under capitalist social relations of production, so do we produce a second order of uneven and combined development.

have assumed that capital does not encounter problems simply re-locating and transforming space. Indeed, for some scholars, this fact is simply presented as a given. Smith (2008: 7, 186, 208), for example, is keen to assert that capital produces a world in its own image. However, whilst it is certainly true that capital "endeavours to mould the space it dominates" using "violent means to reduce obstacles and resistance it encounters there" (Lefebvre, 1991: 49), it is by no means certain that it can simply impose its logic as it pleases. Indeed, Massey (1995: 7) powerfully rebukes such mechanistic approaches, arguing that "shifts in spatial structures are a response to changes in the nature of class relations, economic and political, national and international. Their development is a social and conflictual process...The world is not simply the product of capital's requirements." It is thus the attempt at the imposition of a social logic that seeks to compel surplus labour and control resources that forms the unavoidable essence of the 'spaces of capital'. On the other hand 'spaces of resistance' are formed by the struggles of the subaltern classes to refuse the domination of this alienating spatiality and transform their social conditions. This conflict, waged at a variety of spatial scales forms the essence of contemporary geo-politics. These conflicts cannot but intensify as capitalism progresses and crises grow. Concomitantly, as we are beginning to see, bearing the costs of devaluation or dispossession in order to restart private accumulation is becoming unpalatable to a substantial part of the population.[15] Space, then, is central to the reproduction of capitalist social relations but is also the terrain on which oppositional struggles are launched. It is the site for the "revolt of the 'lived' against abstractions, of the everyday against economism, of the social and civil society against the 'high rates of growth' whose demands are upheld by the state" (Lefebvre, 2009/1975: 114). Lefebvre (1996, 2003: 88, 97) argues that it is in the realm of everyday praxis that counter-projects and counter-spaces can be formed, which would include the right to control investment and create space based on human need, rather

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[15]At the time of writing strikes are increasing throughout Europe and riots have been seen in Greece as a response to the government's austerity measures. In Mexico, the Sindicato Mexicano de Electricistas (SME, Electricity Workers Union) remains engaged in intense struggle against attempts to liquidise a state-owned electricity company and thus fire 44,000 workers. Latin America witnessed similar such protest during the 1980s and 1990s that spawned a variety of leftist social movements and helped push the country towards more social democratic governance.

than simply blind growth. This is theorised as a fundamental questioning of the state as a force superimposed over society, which thus includes an overcoming of alienation, and moves towards societal self-determination, in which users of space retake control of their own lives and political activity is no longer solely associated with fleeting, privileged moments (Lefebvre, 1966/2009: 147-150, 1947/2008: 92; Marx, 1875/1996: 892).

The following chapter, building on the analysis developed here, will consider in detail the theoretical implications of this for the scalar organization of capital, by empirically examining the changing geographical restructuring of capital that has taken place since the mid 1970s. Drawing on the key themes developed in this chapter, the implications for the state form, and a politics of resistance will be examined.

2.6 Conclusion

This chapter set out to demonstrate in theoretical terms how we could discern the logic of the spaces of capital. It did this by first highlighting that two terms integral to Marxist political economy - namely 'class struggle' and 'mode of production' are essential to understanding the production of space. Following this, the characteristics of a tributary mode of production in the form of feudal space were highlighted, whilst delineating the specific form of geo-politics connected to it. Lastly, the distinctiveness of capitalist spatiality was revealed. Included in the discussion here was the revolutionary nature of capitalism as a mode of production, its class basis and crisis tendencies and its novel form of uneven and combined development. At a reasonably high level of abstraction therefore, we have the first step in understanding the 'spaces of capital'. The following chapter, building on the analysis developed here, will consider in detail the theoretical implications of this for the scalar organization of capital, by empirically examining the geographical restructuring of capital that has taken place since the mid 1970s. Drawing on the key themes developed in this chapter, the implications for the state form, and the role of class agency will be drawn out. This will illuminate further the contemporary spaces of capital and allows us to make some tentative claims as regards the spaces of resistance.

Chapter 3

The Production of (Neoliberal) Space

> It is not that the strategic front
> has been redrawn, but precisely
> the opposite: that it has been
> extended to the world scale.

Lefebvre, 1976: 81

This chapter seeks to explore the changes in space and scale associated with the wave of neoliberal restructuring that began to take place in the early 1970s with the move towards what is commonly referred to as globalization. The aim is to construct a critical ontology of neoliberal hegemony that is attentive to the various spatial scales through which capitalism now operates.

The purpose of this chapter is to extend the theoretical analysis that was rendered in the previous chapter, by integrating it with an empirical discussion of trends within the global economy. In particular it will engage with the explanations of the changing spatial and scalar order offered by the 'transnational thesis' scholars (see *inter alia* Hardt and Negri, 2000, 2005; Robinson, 2003, 2004, 2005; Sklair, 2001). Chapter 1 stressed how current debates within the historical sociology of international relations displayed a profound lack of spatial awareness in their theorising, yet nevertheless correctly emphasised the importance of uneven and combined development as integral to any explanation of geopolitics. At stake

here is whether the transnational thesis can overcome this lack and provide a coherent rendering of the spaces of capital and the spaces of resistance. Through a critical discussion of these key ideas the chapter also therefore serves as a critical intervention on current debates within historical sociology.

It lays the basis for considering the integration of Latin America into this changing world order (Chapter 4), before the specific case of Mexico is analysed (Chapter 5) therefore also helping to shift the current debate from its current Eurocentric focus. Furthermore, as this research is directly concerned with resistance movements, it seeks to examine where exactly the site/s of action need to be for such movements and whether this needs to be re-examined in light of globalisation (issues that will be taken up in detail in Chapters 6 and 7). This chapter advances discussion of three key issues of concern: 1) How can we define the current 'spaces of capital'?, 2) What role does the state play in this process?, and 3) How does this affect how we theorise a politics of resistance?

Whereas the previous chapter focused on constructing an argument about the production of space in the abstract, this chapter now moves towards the meso level. As Neil Brenner (2004: 20) has outlined, this level is concerned with "relatively durable institutional arrangements, regulatory frameworks, and territorial configurations that underpin distinct periods of historical development." An analysis of scalar configurations is important as a methodological approach to complement the theorisation of space that was offered in the previous chapter. If, as was illustrated there, space is made up of social processes, then we need to understand how these are transformed into relative 'permanences' (Harvey, 1996: 63, 81). Spatial scale in other words can be thought of "as the geographical resolution of contradictory processes of competition and co-operation" (Smith, 1993: 99). It is owing to the existence of these contradictions that space and scale must be firmly historicised, and all theoretical pronouncements be made highly contingent and open-ended as they remain the object of profound social struggles.

Within current discourses on globalization, issues of 'space' are a recurring motif. Thus within the slogans of the leading transnational corporations we find evocations of a harmonious business-friendly space with a global logic underpinning them ("HSBC - the *world's* local bank" or Siemens "*global* network

of innovation" to name but two examples). Conversely, within strategies of resistance to neoliberalism, there are even more overt spatial metaphors such as reclaiming the streets, or the opening up of some abstract political space.[1] The very term 'globalization' is imbibed with spatial connotations, perhaps given best expression though David Harvey's (1990) now famous phrase, 'time-space compression' - meaning that our experience of geographical distances. and the time it takes to cross these distances is greatly reduced. Drawing upon this idea of a breakdown in spatial and temporal barriers, recent theorists of globalization have defined it as an 'epochal shift' that is reconfiguring the previous spatial order of the world (Robinson, 2004: 4). In Robinson's view, economic restructuring has led to 'transnational space' now coming to exert a hegemonic influence over national space. The corollary of this view is that resistance must operate at the transnational scale as well (Robinson, 2003, 2004, 2008; see also Hardt and Negri, 2000, 2005). Following the arguments laid out in the previous chapter, it will be argued that a clear understanding of the spatial configuration of neoliberalism is a vital task in order to adequately address the issue of where exactly the site of action should be for a politics of resistance and transformation, a central question this thesis seeks to engage with.

The previous chapter theorised how changes within the built environment must be related to the class struggles arising from distinct modes of production. However, it was also clarified that modes of production should not be treated as static concepts as they necessarily evolve like the rest of nature.[2] This evolution is particularly marked in capitalistic processes of accumulation owing to its restless search for increased profits. The task of this chapter is to examine how and why the latest round of world order (commonly referred to as neoliberalism) was created. what its integral features are as a spatial project and whether it

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[1] The Zapatistas for example, although fighting to reclaim the physical space of land in Chiapas, have also spoken about the need to create the political space in which civil society can nurture its own decisions (see Benjamin, 1995: 61)

[2] Drawing from a footnote in Marx's *Capital*, Harvey (2010: 123) argues that there are seven distinct activity spheres through which capitalism evolves. These are: 1) technological and organizational forms, 2) social relations, 3) institutional and administrative arrangements, 4) production and labour processes, 5) relations to nature, 6) the reproduction of daily life and the species, 7) mental conceptions of the world.

can be considered a stable order. As mentioned above, the transition to neoliberalism has been defined by some scholars as the emergence and dominance of a transnational scale for economic accumulation that necessitates the operation of resistance on this level as well. However, this chapter will endeavour to highlight that rather than the dominance of one spatial scale over another, as in the case of the transnational thesis, "capitalist spatiality can never be simply immediately global (or local or national)" (Lacher, 2006: 113). In contrast, it is submitted that it is necessary to be attentive to the dialectical interplay between the various spatial scales (local, national, regional and global) and the social relations that are constitutive of these (see Dirlik, 1997: 84-104; Massey, 2005: 83; McMichael, 1990). We therefore need to remain cognisant of the fact that these scales are themselves socially produced and re-made (Brenner, 2004: 7).

In order to make this argument the shift in the dominant mode of world order from the Keynesian post-war system of 'embedded liberalism' to that of neoliberal globalization will be explored, and related to the theoretical premises established in Chapter 2. The purpose of this analysis is offer another window into the 'spaces of capital' by offering an empirical investigation into the changing scalar organization of the world economy. This is also essential to understanding the proliferation of new spaces of resistance.

Following the arguments about the production of space rendered in the previous chapter, it will be argued that the shifts in the spatial relations of the global economy must be understood with reference to the class struggles taking place through evolving capitalist social relations of production. This argument is powerfully put forward by diverse scholars of the transnational thesis (as will be explained in more detail later). However, whilst acknowledging some of the key contributions that this set of authors make to our understanding of neoliberalism and world order, this chapter will highlight their lack of a thorough engagement with spatial theorising.[3] Unintentionally perhaps, this leads them to a totalising conception of the transnational which ignores key spatial differences and therefore

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[3] Whilst Robinson (2001: 555) argues that "the relationship between space and development need to be reconsidered" he admits that he is "unable to specify in theoretical terms with satisfaction the relationship between the two." This problem stems in part because in his analysis geography and social development are considered separately (Robinson, 2001: 530, 2008: 45). The analysis of Chapter 1 by contrast showed how these categories must be integrated.

over-emphasises the coherence of capital at the expense of the continued spaces for resistance. In contrast, the ontology of globalisation that this chapter wishes to construct is based upon the complex terrain of uneven and combined development that was demonstrated in the last chapter to be an inherent aspect of capitalist space. In concurrence with Peck and Tickell (2002: 388) it is therefore imperative to build an approach that is "attentive to *both* the local peculiarities *and* the generic features of neoliberalism."

The chapter is structured as follows. First, some key theoretical underpinnings are revisited and further elaborated with regards to the production of space. Second, the era of embedded liberalism is discussed in relation to its spatial and scalar referents. This is done so that, third, we can analyse the production of neoliberal space in contra distinction to it (utilising the method of incorporated comparison). It is here the claims of the so-called transnational school of historical materialism are examined, by fourth, fifth and sixth, exploring their claims with regards to the transnational capitalist class, and the transnational state, and what this implies for a politics of resistance in the global age. Seventh, these claims are subjected to critical scrutiny, before finally conclusions are drawn. Let us first begin however, revisiting the production of space.

3.1 The production of space revisited

As a heuristic device, Lefebvre (1991: 33) devises a triadic matrix to show how space is dialectically created. The three elements comprising this are; spatial practices, representations of space and representational spaces. Spatial practices refer to the spatial norms of any given social formation that ensure a degree of continuity and cohesion. Thus, the physical layout of areas including factors such as roads and infrastructure as well as housing would be included under spatial practices (see also Lefebvre, 2003: 84). This is closely associated with *perceived space*. In other words it relates to our reflexive awareness of our surrounding environment. Representations of space on the other hand are tied to ideology, signs and codes. This is the realm of *conceived space*. Spaces of representation are in this manner related to the dominant ideology of society and this area is therefore synonymous with class rule in a particular time and place. Lefebvre

(1976: 29) argues that representations become ideological when they contribute "either immediately or 'mediately' to the reproduction of the relations of production." Architects, urban planners and advertising executives would be prime exemplars of this aspect of space. Lastly we have representational spaces. This is the realm of directly *lived* experience. Spatial practices and representations of space can combine to "facilitate the manipulation of representational space" (Lefebvre, 1991: 59). However, this side of space is associated with subjective feelings or thought and can thus be linked to the more clandestine side of life where resistance can begin to emerge from. It is a cultural sphere concerned with our imagination and therefore has the ability to change and appropriate space. Lefebvre is insistent that these moments cannot be separated from one another. David Harvey (1993: 17-19) has usefully given the example of Times Square in New York City to illustrate how we must understand this seemingly abstract and complex schema. In terms of spatial practices it was dependent on the development of a mass transportation system as well as rapid money flows and increasing consumer culture of modern life. Closely tied to this, the Square reflected in its representation of space the ideology of the bourgeoisie in its effort to encourage mass consumerism and commercialization. However, despite this intent it has become a place appropriated by the public as the symbolic heart of New York City. As Harvey (1993:18) writes:

> produced and dominated in the mode of political economy, it was appropriated by the populace in an entirely different fashion. It has become an authentic place of representation with a distinctive hold on the imagination, even though as a space of material social practices it has all the character of a purely speculative and commodified spectacle.

This triad needs to be borne in mind when we consider developments within the organization of the global economy, and will be returned to later in the chapter.

The approach Lefebvre takes to the production of space highlights a number of crucial points. The first of these is that material practices cannot be understood without due consideration being given to the way that they are experienced

and imagined. Indeed this is a theme taken up by Arjun Appadurai (1990) who queries any simplistic base/superstructure accounts of globalisation. Instead he argues that the emerging global cultural economy is one based upon 'disjuncture and difference' owing to the various 'scapes' or perspectives though which these processes are filtered (these include mediascapes, technoscapes, finacescapes and ideoscapes). Appadurai's approach highlights the tensions between homogenisation and heterogenisation that are inherent to capital in our current epoch (expressed in the previous chapter with the notion of homogenous and fractured space). This view, which concurs with the one that has been outlined hitherto, is in stark contrast to how some scholars have interpreted the production of space under neoliberal globalization as simply being that of a proliferation of 'non-places' (Augé, 1995). This term was coined as an intended critique of globalization (or what Augé calls 'supermodernity') owing to the lack of historical meaning and homogenisation that this entails. However, his argument only asserts a singular narrative and thus detaches the production of space and place from all identity and ideological contestation and resistance. Like Herbert Marcuse's (1964) *One Dimensional Man*, tendencies are therefore taken as a *fait accompli*. Coherence is taken for granted and no room is left for a counter-offensive (Lefebvre, 1976: 115). By contrast, it follows from the argument that has been outlined hitherto, that space is never to be mistaken for the realm of closure. It is always open to contestation and struggle. Indeed it is therein that lie the politics of space and the reason for the continuance of geo-politics. To make a claim for the proliferation of non-places is to assume that space is simply a passive surface onto which capitalist social relations are produced: the very view that was so thoroughly rejected in the previous chapter (this point about the continuance of struggle is one we need to keep in mind when assessing the transnational thesis later).

Following the elaboration made in Chapter 2, space was shown to be produced though the medium of class struggle (through the dialectic of efforts by capital to seek the maximum possible extraction of surplus value and subsequent resistance to this on the other hand). It should therefore be viewed as a product of societal interrelations, and not as something static but rather as a product constantly under construction (Massey, 2005: 9). As was outlined, class relations inscribed in space thus can be related to Antonio Gramsci's concept of hegemony - the

means by which one class establishes its leadership over the rest of society. Hegemony for Gramsci was also theorised as a process rather than an accomplishment. It operates across the state and civil society though the formation of historical blocs (see also Chapter 5). The state is able to establish its hegemony through a combination of legal means such as coercion or legislation but it is the hegemony established through civil society that is the more important as it results in the 'spontaneous consent' being given "by the great masses of the population on the general direction imposed on general life by the dominant group" (Gramsci, 1971: 12). It has been pointed out, however, that the concept of hegemony is applicable not only at the level of national social formations, but also level of world order. As Robert Cox (1983: 171) puts it: "Hegemony at the international level is thus not merely an order among states. It is an order within a world economy with a dominant mode of production which penetrates into all countries and links into subordinate modes of production." Let us now examine the change in hegemonic order by examining the shift from the Keynesian post-war system of 'embedded liberalism' (Ruggie, 1982) to that of neoliberalism. This analysis will help illuminate what is novel about neoliberal space and how new scales of accumulation have been produced though the contradictions of capitalist accumulation and class struggles. This is integral to understanding the current spaces of capital.

3.2 From embedded liberalism to neoliberalism

The post-war economic system that dominated in the West from 1945 to the early 1970s is often referred to as the *Pax Americana*, 'embedded liberalism', or Fordism (after the production techniques popularised by Henry Ford). This epoch has come to be seen as the 'golden age' of capitalism due to the increasing levels of productivity and trade, coupled with a broad extension of welfare measures. Between 1950 and 1975 there was an unheralded age of prosperity with exceptionally high growth rates, which saw average income per person in developed countries rising 3% per annum (Glyn *et al.*, 2000: 41). It was an economic order characterised by a multilateral international environment that was committed to reducing the barriers to free trade whilst having the priority of full employment

at the domestic level (Ruggie, 1982). The Bretton Woods financial order underpinning the system was based upon fixed exchanged rates with the dollar acting as the reserve currency and controls exerted on the movement of capital. As the name suggests, the order that emerged post-World War II owed a great deal to the hegemonic position of the United States, and the geopolitics of the Cold War did much to influence the model of capitalism that was instituted as (Rupert, 1995; Glyn et al., 2000: 56). Gramsci (1971: 279-80) viewed the rise of Fordism on a world scale as a potential process of 'passive revolution' that was analogous to the "successive small waves of reform" that were initiated from above in Europe following the French Revolution (Gramsci, 1971: 115). In other words Fordism was hypothesised as an instance of state-led reorganisation of production that, in making certain concessions to subaltern classes, facilitated the extension of class rule through the reorganization of social relations. In this instance, it was an increase in real wages that served to offset more radical demands for wholesale social transformation that had been inspired by the Soviet Union.[4] This notion of passive revolution is an important class stratagem and will be returned to in the forthcoming chapters.

Although the precise nature of states differed on a country-to-country basis, reflecting their various historical specificities, broadly speaking the post-war years were characterized by Fordist productive relations of mass production and mass consumption. Across Western Europe there was thus an analogous process of state formation (Brenner, 2004: 105). Piore and Sabel (1984) argue that from its inception Fordism has to be understood as a method for deepening capitalist social relations with standardized (proletarian) production replacing skilled craft production. Of course, this does not mean that everyone was involved in mass production, merely that under these particular 'accumulation regimes' mass production provided the key source of the economy's dynamism (Jessop. 1994: 253). The Fordist production system can be defined spatially by its vertical integration, large numbers of workers organized in mass assembly lines and by its fixed

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[4]Gramsci (1971: 310-12) highlights that higher wages were not borne out of capitalist class benevolence but, rather, as a result of increasing exploitation and less desirable work practices that people were being asked to engage in. Moreover, he argued that the period of higher wages associated with Americanism was historically contingent and therefore likely to be ephemeral, an analysis this chapter bears out.

and standardized production process (Robinson, 2004: 16). Due to the enormous amount of 'fixed capital' required to create this form of standardized production, state intervention was integral to the process of capital accumulation helping to redirect surpluses. Commenting upon this point, Tonkiss (2006: 90) remarks that the state acted "as a steward for such an industrial compact." The nation-state under the system of embedded liberalism thus was a key element in the production of capitalist space. Jessop (1994: 255) illustrates the point well. highlighting how the state in this period "invested in infrastructural projects, promoted economies of scale though nationalization policies, encouraged Fordist mass consumption through its housing and transport policies, and generalized norms of mass consumption through intervention in labour markets and collective bargaining and through its provisions for collective consumption." Embedded liberalism thus can be characterized by distinctive 'state spatial processes' which in turn had particular spatial strategies as their adjunct e.g. housing policy, regional policy, economic development initiatives (Brenner, 2004: 76, 93). This period thus witnessed the emergence and consolidation of what Lefebvre (2009/1975: 105, 111) calls the 'state mode of production' defined as an "ideology of growth controlled by the state" that was becoming worldwide in its application.[5] Surveying the process of state formation in this period, Lefebvre (1991: 23) argued that there was a change from states concerning themselves essentially with creating the *conditions* for growth, to one that manages the *space* of growth. The state thus comes to promote itself as the stable centre and instrumentalised space for particular ends, again exemplifying the conditions of passive revolution touched upon above.

Although it needs to be made clear that the territorial state in this period "never fully contained capitalist social relations within its particularistic boundaries" (Lacher, 2006: 145) it is clear that the national scale did become the most significant scale for the flow of money, the means of production, consumer commodities and labour power (Lash and Urry, 1994: 2; Glyn *et al.*, 2000: 48-51). The state in this period thus came to be valorized "as the basic spatial point of reference" (Lacher, 2006: 114). Jessop (1994: 252) concurs with this analysis

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[5]Indeed, Lefebvre (1976: 109; 1991: 53) argues that this was also the case for the socialist countries who he bitterly criticized for failing to produce their own space. Instead socialism became merely an alternative means of accelerating accumulation in underdeveloped countries rather than overcoming alienation (Lefebvre, 1947/2008: 5, 1961/2008: 316).

stating that "a given mode of socialization results from the dominance of an accumulation regime and its mode of regulation in conjunction with various social routines that successfully cope with the social conflict and perturbations." This is closely linked therefore to the process of hegemony or the perusal of a hegemonic project by the state, as the mechanisms for growth and institutional arrangements relied upon social acceptance and the forging of some basis of consensus (Glyn *et al.*, 2000: 57; Gill, 2008: 61). There was, however, always a contradictory character to the spatiality of the post-war system. On the one hand, class conflict was mediated through state intervention in 'national circuits' of capital accumulation, yet conversely, international institutions had arisen to ensure the openness of a world economy which involved the spreading of capitalist social relations and increasing exploitation of the periphery of the world system (Lacher, 1999: 344, see also Wallerstein, 1984). In other words, the postwar Keynesian order was one built upon distinct spatial strategies that involved the production of geographical boundaries that defined who was, and who was not included in the benefits of capitalistic development. The Keynesian package of full employment and mass consumption were not perks to be extended to peripheral nations (Silver, 2003: 21, 154). This theme will be taken up in greater detail in the following chapter, when the production of space in Latin America is considered.

Owing to the contradiction between the commitment to full employment on the one hand with capitalism's expansionary logic on the other, there was a necessity for immigration from peripheral countries to ensure continuing new supplies of labour power for capital (Duménil and Lévy, 2004: 44). Therefore, as Tonkiss writes with regard to this dual spatiality; "The reproduction of capitalism" has to be understood "not simply in terms of national systems of economic and political regulation, but of an international regime which both fostered and set the boundaries of inter-state exchanges." It was a system that served to revive and stabilize capitalist accumulation in the aftermath of the ravages of the Second World War. It did this by providing a model of growth that, as was previously mentioned, was grounded in mass production and mass consumption. This was facilitated by the wage settlement of the post-war years which saw workers having enough disposable income to buy the very commodities that they manufactured. The huge development in productive power was thus offset by the concomitant growth of

mass consumption (Glyn *et al.*, 2000: 49). Fordism also sought to redress uneven development between regions within the national territory (Brenner, 2004: 115). The period 1950-1970 was thus one of sustained economic growth, and is referred to by Lefebvre (1976: 112) as a 'euphoric period' owing to the fact that it appeared all opposition groups could be co-opted and integrated. Hegemony at this time therefore seemed relatively secure.

However, this 'equilibrium' of production and consumption was not to last as it threatened the very social relations that capitalism is based upon (Harvey, 2006b: 152). Indeed, cracks began to appear in the system of 'embedded liberalism' by the late 1960s and early 1970s. This was manifested in the form of stagflation in the core Fordist countries coupled with lower productivity and renewed class antagonism to the imposition of capitalist discipline (Jessop, 1994: 260; Harvey, 2005: 12-15). This class conflict was most visibly evident in the worldwide mobilizations of 1968; referred to by Hardt and Negri (2000: 264) as "the global confluence of struggles" against capitalism. According to Harvey (1990: 142) the problem of the Fordist accumulation strategy "could best be captured by one word: rigidity." The reason for this was the lack of profitable outlets for surplus capital leading to a declining rate of profit. While the enormous investment in fixed capital had led to greater productivity in the short term, it had also led to a saturation of the market for standardized goods and thus precipitated a crisis of overaccumulation (defined in the previous chapter). This was intensified by the increasing competition from the newly industrializing countries (NICs) that added further pressure on national regulatory regimes (Jessop, 1994: 261). Class agency here becomes a vital component of understanding not only the crisis of the 1970s but also the response to it. This is because postwar, workers' struggles had led to increased social spending by the state in the form of higher wage rates and welfare extensions (thereby increasing the socially necessary labour time embodied in production). This had, in turn, reduced the amount of surplus value that could be extracted in the form of profit for the bourgeoisie (Hardt and Negri, 2000: 273). Drawing upon Bob Jessop (1990: 208) we can say that the various hegemonic projects of embedded liberalism - historical blocs of class forces tied to national-states - began to collapse as the accumulation strategies that underpinned them were in crisis. With states everywhere experiencing fiscal crises,

the material basis for the compromise between capital and labour came under question.[6] The crisis of overaccumulation, however, provided capital the opportunity to break the link between itself and the state redistributive policies and instead re-establish "the unity of economic and social policy in the interests of renewed capital accumulation" (Jessop, 1994: 257). It was clear, therefore, that the integration of the working class had been conjunctural rather than structural (Lefebvre, 1976: 117). With declining rates of profit this class armistice was now considered expendable. Instead the influential sectors of the bourgeoisie sought to transform spatial and scalar arrangements in order to forge a new round of accumulation (on this point see Massey, 1994: 52). If the post-war system can be thought of as 'embedding capital' and serving somewhat to constrain its excesses[7] then the move towards neoliberalism can be interpreted as a project "to disembed capital from these constraints" (Harvey, 2005: 11).

In analysing the postwar order, Hannes Lacher (1999: 344-5) illustrates brilliantly the latent class antagonisms it was built upon as, despite the label of 'embedded liberalism', "such protectionism as prevailed... never amounted to a re-embedding of the economy, in which money, land and labour would have lost their character as 'factors of production'." Therefore "the reorganization of social purpose never challenged the ultimate basis of the market as a disembedded institution itself: the commodification of human labour. Precisely because protectionism of the welfare state was limited it could not last: it was undermined by the pressures of the market." Recalling the argument stressed in Chapter 2 about capital constantly seeking profitable outlets for its surpluses and therefore constantly revolutionising spatio-temporal relations, this is exactly what happened with the shift from embedded liberalism to neoliberalism. This transition is another concrete example of aggregates that were built up during a previous

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[6]A similar such process is currently underway following the credit crisis that originated in the US with the issuing of sub-prime mortages. This crisis is currently being used to further dismantle welfare provisions and extend commodification further into the public sector.

[7]This was the argument classically put forward by Karl Polanyi (1957). Polanyi argued that the modern state could be understood as resulting from a 'double movement.' The first of these saw unbridled market forces unleashed upon society, whilst the second sought to deal with the imbalances caused by these forces by re-embedding the market within wider society. The genius of this argument was to turn orthodox economic theory on its head, highlighting that laissez-faire economics was a planned system whereas social protectionism was in fact spontaneous.

period 'jumping tracks' to form a new assemblage (Sassen, 2006: 11). In this case, productive capacities had been developed in the context of postwar reconstruction now found *domestic* opportunities for expansion of capital accumulation limited, and thus sought to construct a more integrated *global* market in the interests of increased growth. Summarising this development, Duménil and Lévy (2004: 9) trace the inherent class basis for transition, highlighting with empirical detail how that the move towards neoliberalism represented the "reassertion of power by capital holders" who had seen their profit rates hit (see also Harvey, 2005). Concurrent with McMichael (2001: 202, 205), the shift can be interpreted through the method of incorporated comparison (outlined in Chapter 1), in the sense it represents a counter-mobilisation by capital to previous spatial arrangements (themselves the results of profound social struggles). The hallmarks of neo-liberalism as a spatial and scalar project can thus be understood only in relation to the crisis in which capitalism had found itself. This point highlights the need to place any theoretical conception of capital into the reality of social history.

In order to better grasp the changes in spatiality associated with this shift to neoliberalism, let us now explore the most forceful exposition of these changes through a critical engagement with the so-called 'transnational thesis' associated with authors such as Leslie Sklair (2001), William Robinson (2003, 2004, 2005) and Hardt and Negri (2000, 2005). These authors have argued powerfully for the abandonment of a 'nation-state centric' analysis of capitalism. Instead, they seek to show that 'national space' associated with embedded liberalism has been displaced (or is in the process of being displaced) by the transnational space of neo-liberalism. In examining this thesis, particular attention will be placed upon the conception of class agency in constituting this transnational space. This goes to the heart of the key questions of this research as it critically examines the spatial scales through which neoliberal capitalism operates, and thus serves to signpost where movements seeking to resist and transform capitalism must also act. In other words, as a prelude to considering the spaces of resistance, this lets us understand more clearly the 'spaces of capital' which these movements must now contend with. Let us now then explore this theorisation of transna-

tional space before the position is subjected to critical enquiry, and an alternative conceptualization of neoliberalism's spatial relations is ventured.

3.3 Towards a transnational space?

Leslie Sklair (2001: 2-3) defines the transnational as consisting of "forces, processes and institutions that cross borders but do not derive their authority from the state." Indeed, a key contention of the transnational thesis is to argue that the nation-state has been superseded as the key organizing principle of capitalist life following globalisation in its most recent form (Robinson, 2004: 39, see also Sassen, 2007: 1). In contrast to the post-war Fordist regimes of accumulation in which the state was regarded as being central to the production of capitalist space, Robinson (2005: 561 emphasis added) believes that national states "are being transcended by transnational social forces and institutions grounded in a *global rather than the interstate system.*" Hardt and Negri (2000, 2005) writing in similar fashion, term this new order 'Empire'. "The concept of Empire" they write "is characterized by a lack of boundaries. Empire's rule has no limits. First and foremost, then, the concept of Empire posits a regime that effectively encompasses *the spatial totality*" (Hardt and Negri, 2000: xiv, emphasis added). Robinson highlights how globalization involves not only an *extensive* enlargement of capitalism (involving is geographical expansion) but also its *intensive* enlargement meaning that capitalism is deepened into areas previously held as 'the commons'. Education and health are but two examples of this phenomenon (Robinson, 2004: 7). This analysis echoes the argument made by Kees van der Pijl (1998: 46-48) that commodification has been extended beyond material production to include the social sphere of reproduction. Production therefore needs to be understood in the wider sense suggested by Robert Cox (1989: 39), including not only the production of goods but also the production and reproduction of knowledge and social relations.

As was mentioned above, a key element in transforming the spatial configuration of the previous order was the transnationalization of finance. During the 1960s, the growth in the various offshore financial markets (in particular the Eurodollar market), as well as the costs of fighting the war in Vietnam, had put

the US economy under considerable strain as the world's leading creditor nation. More dollars were in circulation than could be backed up with gold reserves leading to rising inflation in the US. With an ascendant neoliberal ideology emerging, the United States decided to unilaterally abandon its capital controls in 1971 in with the so-called 'Nixon Shocks' (Helliener, 1994: 111). Britain, Japan and the other major capitalist countries soon followed due to competitive pressures so that by the early 1990s "the restrictive Bretton Woods financial order had been completely overturned and an almost fully liberal pattern of financial relations had emerged between advanced industrial states" (Helliener, 1994: 146).[8] The effect of lifting these capital controls was to liberate capital from its institutional pact between the state and labour by reducing its commitment to the domestic economy (Tonkiss, 2006: 95). As a result of its new mobility, capital assumed a far greater structural power in relation to labour. The class compromise under the Fordist system had clearly been predicated on finance and production remaining under national control (Bernard, 2000: 158). However this prerequisite now no longer held sway (the implications of these developments for Latin America will be considered in the next chapter).

In terms of class struggle, (which was identified in Chapter 2 as being crucial to the production of space), Harvey (2005: 117) argues that capitalist class power is evidentially wielded through geographically mobile capital. With money losing its 'national character', factors such as high wages and welfare benefits - integral to the Keynesian class compromise - were instead now viewed as "costs of production rather than sources of home demand" (Jessop, 1994: 261). Furthermore, as states looked to attract foreign direct investment (FDI), they have altered in form from being interventionist states in a *domestic* economy to states concerned with promoting competitiveness in the *global* economy. The imperative to compete for FDI is then used as a justification to remove forms of welfare and social protection built up during the post-war period (Cox, 1999: 12). This does not necessarily mean that the state has retreated in the face of global pressures as in some analyses (e.g. Strange, 1996) but rather they have instead been reconfigured and reconstituted (Held and McGrew, 2002: 125). Summarising this development,

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[8]This again highlights the conditioning dynamics of uneven and combined development within the global economy.

Robinson (2004: 75) claims that nation-states have "shifted from reproducing Keynesian social structures of accumulation to servicing the general needs of the new patterns of global accumulation." Commenting upon this, Noam Chomsky (2000: 137) refers to transnational capital as a 'virtual senate' able to veto policies of governments by the threat of, or the carrying out of capital flight. However, whilst this might be true in certain cases, we also need to be aware of the fact that governments have often been actively involved in promoting globalization (as will be discussed in Chapters 4 and 5). As Doreen Massey (2005: 83-84) makes clear, governmental discourse about the inevitability of globalization and market forces is an 'heroic impotence' designed to obscure the search for alternatives.

The transnationalization of finance does, however, have important implications for production. Indeed, the rise of transnational capital is central to the whole process of neoliberal globalization. As Bieler (2006: 50) argues "the deregulation of national currency systems was a precondition for the free movement of capital, making an increased level of FDI possible." Robinson concurs but takes the argument even further stating that "transnational capital is the basis for economic globalization. In turn, economic globalization brings with it the material basis for the emergence of a *single global society* marked by the transnational political and cultural processes and the global integration of social life" (Robinson, 2004: 9, emphasis added). Robinson seeks to argue that we have moved from an internationalized *world* economy to a transnationalized *global* economy. The difference being that the former consists of separate domestic economies trading 'national products' with one another at arms length, whereas the latter would include functional integration of internationally dispersed activities (Gereffi, 1995: 113; Robinson, 2003: 13-20). Evidence for this transnationalization of production includes the aforementioned levels of FDI which have been rising rapidly since the early 1980s, the spread of transnational corporations (TNCs), cross-border mergers and acquisitions, strategic alliances and internationally interlocked directorates (Robinson, 2004: 55-67). Both Central America (Robinson, 2003) and South America (Robinson, 2008) are extensively examined to provide evidence of this new transnational productive structure. Robinson is prepared to concede that local and national circuits of capital do remain. However, he argues that it is the transnational fraction of capital that is now hegemonic and can thus

exert structural power over these lesser scales forcing them to forge links with this transnational sphere if they want to retain their competitiveness (Robinson. 2003: 17; 2004: 21). The key point to note at this juncture is that (according to the transnational thesis) the multiple spaces of capitalism expressed though their territorial state forms are thought to be giving way to a single space of capitalism governed by a transnational logic. Evidence of a new productive structure can be cited in the fact that the gross product associated with international production and foreign affiliate sales worldwide (hallmarks of globalised production) have increased faster than both global GDP and global exports (UNCTAD, 2000: xv).

For Robinson (2005: 562), hegemony is therefore no longer established though nationally-oriented historical blocs (as was the case with embedded liberalism) but, instead, is founded through a transnational historical bloc that is constructed though global civil society and its emerging transnational institutions. Hardt and Negri's (2000: xii) characterization of Empire as a "decentred and deterritorial-izing apparatus of rule" would support Robinson's thesis. A crucial role in the production of this new neoliberal space is assigned to the agency of the transnational capitalist class (TCC) and the role of an emergent transnational state (TNS) through which they are said to act. Let us examine these two claims in turn.

3.4 The transnational capitalist class

According to Robinson, the transnationalization of capitalism, by definition, produces the transnationalization of class relations. This is because the social relations of production upon which classes are constituted are now grounded in transnational rather than national circuits of accumulation. Apeldoorn (2002: 2) concurs with this analysis and claims that social classes are both constituted by, and constitutive of, this new transnational capitalism. The examination of class formation requires a two level analysis in Robinson's account (following the formula set out by Marx (1847/1963)). This involves the material basis for class action (a class in itself) and also forms of consciousness (a class for itself) that result in collective agency. In Robinson's words;

"what distinguishes the TCC from national or local capitalists is that it is involved in *globalized production*, marketing and finance and manages *globalized circuits of accumulation* that give it an objective class existence and identity spatially and politically in the global system above local territories and politics" (Robinson. 2005: 564. emphases added).

The core of Robinson's argument is that neoliberal globalization provides the material basis for us to conceive of a TCC, and furthermore the TCC are increasingly acting as a class for themselves. In this respect Robinson can be seen to be building on earlier work that made similar claims regarding an emerging transnational class structure (e.g. Cox, 1981: 146-47; Gill. 1990, 2008: 93). The rigorous pursuit of capitalist globalization is evidence for the TCC acting as a 'class for themselves'. Examples of this include: the World Economic Forum (WEF) an annual meeting of private corporations that seek to influence "regional and industry agendas" (http://www.weforum.org/en/index.htm), the Trilateral Commission (see Gill, 1990), or the activities of the European Round Table of Industrialists (ERT) and Evian Group both of whom have been instrumental in furthering the project of global integration along neo-liberal lines in Europe and Asia respectively. These groups are driven by the logic of *global* rather than *national* accumulation. This is backed up by Sklair's research on companies in the *Global Fortune 500*.[9] It was found that a majority of leading corporations no longer viewed themselves as national companies with units abroad but rather as global corporations (Sklair, 2001: 73). For Robinson (2003: 35-42; 2008: 116. 166), as a result of the TCC vigorously pursing the project of capitalist economic integration, the old national structures of class antagonisms are giving way to ones based on transnational accumulation. This has been aided by the fall of communism and the overcoming of the "political-military bifurcation of global space" which has facilitated the increasing incorporation of these areas (Shaw, 2003: 121). Likewise, Hardt and Negri (2000: 187-190, 325-329) argue that 'modern' forms of sovereignty, defined in terms of a particular territory and its

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[9]The *Global Fortune 500* is an annual ranking of the world top corporation based upon revenue for a fiscal year.

relation to an 'outside' is being overcome by imperial sovereignty, or the Empire of capital.

3.5 The transnational state

Concomitant with the rise of the TCC, the materialization of a global or transnational state (TNS) has also been postulated (Robinson, 2003, 2004, 2008; Shaw. 2003). Likewise, Hardt and Negris (2000: xii) notion of 'Empire' characterized as "a series of national and supranational intuitions united under a single logic of rule" is comparable to this. According to Martin Shaw (2003: 122). although fragmentary and unstable, this state constitutes "a more or less coherent raft of state institutions which possess to some degree, global reach and legitimacy. and which function as a state in regulating economy, society and politics on a global scale." Taking up this debate, Lacher (2006: 104) argues that neoliberal globalization can be seen to represent capitalism's inherent logic of 'totalization', subsuming other political logics to its own. As was discussed in the previous chapter, capitalism came to exist in a territorial form that was in no way immanent to capitalist social relations themselves. Therefore, although nation-states came to exert enormous influence upon capitalist modernity, they also imposed certain limits to capital accumulation which always had global tendencies. With finance and production becoming transnationalized, it is hypothesized that global political institutions will of necessity have to arise in order to sustain this process. Robinson (2004: 91) exhorts us to move away from a nation-state centric analysis by showing that the nation-state is but one form that a state can adopt and it is furthermore contingent upon social processes. If we understand the state in the Marxist manner of being "the institutionalization of class relations around a particular configuration of social production" then there is no reason to believe the state has to be territorially bounded (Robinson, 2004: 95). Indeed the proliferation of organizations such as the World Trade Organization (WTO). International Monetary Fund (IMF) and World Bank (WB) are cited as evidence of the supersession of the nation-state as the prime organizer of capitalism (Hardt and Negri, 2000: 336; Robinson, 2004: 85-144). Shaw (2003: 123-127) argues

that the key characteristics that we associate with the state such as 1) the embodiment of a differentiated set of institutions; 2) having relations that flow to and from a centre; 3) covering a specific demarcated area; 4) having some authoritative rule binding capacity; and 5) being inclusive and constitutive of other levels, are all empirically valid at the global level. This does not mean of course that national-state forms disappear. Indeed it is argued that they continue to provide a vital role for capital accumulation. They do this by ensuring propitious conditions favorable to capital reproduction. Examples of this type of activity include providing minimal infrastructure and education, a regime of authority and additionally quelling dissent to capitalist discipline. However, in Robinson's analysis, states are in effect passive recipients of transnational capital's dictates. In his terminology, states have become 'transmission belts' for neoliberal capital accumulation (Robinson, 2003: 62). In this manner some have begun to question the link between the nation and the state (Appadurai, 1990; Harvey, 2005: 84) as they are no longer thought to possess the same congruence as before. As Robinson (2008: 281) summarises, "there is a contraction between the class function of the neoliberal states and their legitimation function."

To analyse how these developments have been said to affect the production of space let us recall the Lefebvrian triad of spatial practices, representations of space and representational spaces, to examine how we can identify the key changes in spatiality the transnational thesis postulates in the shift from embedded liberalism to neoliberalism. It is clear that there have been changes in the realm of spatial practices facilitated by technological advances such as the use of information technology as well as the reduction in costs, and increasing speed, of air travel and the improvements in containerization, meaning products can enjoy a longer life and therefore travel further and for longer periods. These technological advances provided the conditions whereby fixed standardized production could come to be replaced with the 'flexible accumulation' associated with neoliberalism (Harvey, 1990: 141-172). Additionally, vertical integration has been replaced by horizontal integration (although power remains rigidly hierarchical). In Hardt and Negri's (2000: 295) terms, "the assembly line has been replaced by the network as the organizational model of production" under neoliberalism. This is exemplified in processes such as outsourcing and subcontracting.

Robinson (2004: 18) notes that although this trend began in low-skilled, labour intensive industries it has now spread into areas of advanced economic activity. It is important however once again that we do not confuse explanandum with the explanans (Rosenberg, 2000). Technological change it needs to be emphasized is only the explanandum. As Dicken (2007: 73-74) correctly points out: "technology is not autonomous; it does not have a life of its own...Choices and uses of technologies are influenced by the drive for profit, capital accumulation and investment, increased market share and so on." Choices of technology furthermore can have direct political consequences. For example, the pursuit of complicated and potentially dangerous energy resources such as nuclear power preclude, or make unlikely certain organizational forms, and in turn make us ever more reliant upon the rule of experts (Harvey, 2010: 99). Class struggle and the search for increasing surplus value extraction are therefore essential elements in the production of neoliberal space. As an empirical example of this one could point to contemporary models of production such as outsourcing, sub-contracting and just-in-time production that were copied from Japanese production techniques by rival firms, state elites and other such social forces seeking competitive advantage in the market place (Bernard, 2000: 158). The Japanese themselves had resorted to such techniques in the first place to overcome a crisis of over-accumulation during the era of embedded liberalism (Bernard, 2000: 155). The move to flexible accumulation can be seen as increasing the alienation of labour in the bid to strengthen the hand of capital. In other words there is an ever increasing removal from the conceptualization of work, and its carrying out, though the creation of new 'spatial divisions of labour', facilitated by the concentration and centralization of capital (Massey, 1994: 56; 1995). This has involved a process of further deskilling as the productive process is further split into its constituent parts and workers are viewed as subcontracted and temporary, rather than an integral part of the production process itself (Robinson, 2004: 19). Summing up this development, it can be claimed that not only is there alienation *in* production, but that furthermore we are producing *spaces of alienation.*

In terms of 'representations of space', we can clearly witness Lefebvre's (1991: 59) assertion that "class struggle is waged under the hegemony of the bourgeoisie". This is evidenced from the agency of the TCC acting to plan the spatial

relations of the world in line with a strategy for *global* capital accumulation. Here we can draw on Gramsci's germane notion of 'organic intellectuals'. According to Gramsci (1971: 5-14) every social group produces its own intellectuals. These are defined by their social function rather than any intrinsic capability. These intellectuals arise from the productive process and give the social group homogeneity and awareness, providing the conditions favorable to the expansion of their class. The TCC have thus clearly managed to produce their own organic intellectuals which correspond to their societal hegemony. Thus, ideas put together inside corporate boardrooms, given additional impetus at meetings of the G8 or the WEF and projected as advertising campaigns and business strategies "provide the context for neoliberal spatial practices across the globe" (Merrifield, 2006: 134). Neil Smith (1993: 112) has argued in relation to this point, that the ruling classes define what 'global' means in their own interests (for example the free movement of capital and commodities but not people). Adding to this argument, Gearoid O Tuathail (1996: 18) points towards to the manner in which "governmentalising intellectuals of statecraft" organise and help produce our common notions of 'global space' (see also O Tuathail and Agnew, 1992). Furthermore, exerting a hegemonic influence in the representation of space means neoliberalism exerts huge discursive power by "constructing the 'rules' of interlocal competition by shaping the very metrics by which regional competitiveness, public policy or social productivity are measured" (Peck and Tickell, 2002: 387). Andrew Baker (2000: 364) concurs with this analysis highlighting how there arose "a dominant discourse or belief system often referred to as the 'Washington Consensus' emphasizing the value and benefits of open markets and sound money policies." The 'Washington Consensus' can best be explained by ten areas of policy agreement. These are fiscal discipline, public expenditure priorities, tax reform, financial liberalization, competitive exchange rates, trade liberalization, foreign direct investment, privatization, deregulation and property rights (Williamson, 1990). These measures have underscored key policy frameworks in driving contemporary globalization (Scholte, 2000: 35).

What then of representational spaces? Clearly the other two elements in the triad exert a powerful influence on this area. However, this is also the realm in which we can begin to develop an analysis of class forces resisting neoliberal

hegemony, as spaces are appropriated (or re-appropriated) and challenged. Ideas, therefore, formed in conjuncture with material practices can develop into what Antonio Gramsci referred to as 'organic ideologies'. These organic ideologies have the ability to "'organize' human masses, and create the terrain on which men move, acquire consciousness of their position, struggle etc" (Gramsci, 1971: 377). It is clear from any cursory glance at the world that, despite claims that we have reached the 'end of history' (Fukuyama, 1992), the social relations underpinning neoliberalism are in fact increasingly being contested. The issue here is thus whether the transnational capitalist class can create a stable historical bloc to ensure their continuing hegemony. Pellicani (1981: 32), interpreting Gramsci, states that "a class remains hegemonic as long as it is able to produce from within, or coopt a plurality of creative minorities... able to increase the material and spiritual patrimony of the collectivity and to obtain consent of the subordinate classes." Robinson, however, casts doubts on whether transnational capital can provide a broad enough material basis to sustain its hegemony in the long term. This is due to the inability or unwillingness of states to "attenuate the polarization tendencies inherent in capitalism" (Robinson, 2004: 162) due to their decreasing capacity to redirect surpluses. We can therefore expect to see a challenge to the idea of neoliberalism as 'common sense' (in the Gramscian sense of the word meaning uncritically thought out ideologies, see Gramsci, 1971: 323-26, 419-25). This obviously leads us to the question of what kind of resistance and transformation is now appropriate. As was indicated in the introduction a central problem this research seeks to address is whether the changes in spatial relations associated with neoliberalism necessitate a re-thinking of site for political action, a matter that current debates within the historical sociology of international relations have been silent upon.

3.6 What is to be done?

Marx and Engels (Marx and Engels, 1848/1996: 833, emphasis added), when considering the issue of resistance to capitalist relations of exploitation put forward the classic proposition that "the struggle of the proletariat with the bourgeoisie *is at first a national struggle*. The proletariat of each country must, of course settle

matters with its own bourgeoisie." The key authors of the transnational thesis, however, argue that the changes in spatiality associated with neoliberal globalization warrant a re-examination of how resistance is articulated. According to Hardt and Negri (2000: 308, emphasis added) there is no longer "any *independent space* where revolution could emerge in the national political regime, or where social space could be transformed using the instruments of the state." This is due to the fact that the state, as we have seen, is perceived to have been surpassed as the prime organizer of social life under capitalism. Robinson (2003: 12) concurs with this analysis declaring that due to the pressures of transnational capital accumulation it is now "structurally impossible for individual nations to sustain independent or even autonomous economies, politics and social structures." Following the distinction that Gramsci (1971: 235-239) made between a war of manoeuvre (characterized as a frontal attack on the state apparatus) and a war of position (conceived of more as a battle of ideas) it is clear to Robinson that it is the latter method that should be the focus for resistance movements. Just as the forces of exploitation are to be found in the transnational productive process, so therefore the task of resistance movements must be to organize collectively in this manner also. Hardt and Negri (2000: 206) put the issue in stark terms:

> We believe that towards the end of challenging and resisting Empire and its world market it is necessary to pose any alternative at an equally global level. Any proposition of a particular community in isolation, defined in racial, religious or regional terms, 'delinked' from Empire, shielded from its powers by fixed boundaries, is destined to end up as a kind of ghetto.

Indeed resistance movements seeking to capture state power in their opinion only end up renewing the powers of territorial sovereignty (Hardt and Negri, 2000: 97). Just as Marx theorized that capitalism had created its own gravediggers by bringing into existence the proletariat, likewise Hardt and Negri argue neoliberal globalization has done the same by instituting a global economy that connects everyone to it, whilst relying on these same people to sustain this process of accumulation. The sovereignty of the global empire is thus "completely dependent on the productive social agents over which it rules" (Hardt and Negri, 2004: 335).

Although more favourable in relation to the question of state power, Robinson (2008: 350) likewise argues that national strategies of resistance are no longer applicable, as the source of exploitation is to be found in the transnational rather than national social relations of production. The global proletariat (or 'multitude' to use Hardt and Negri's terminology) must, like the TCC therefore become a class 'for themselves' and begin what Robinson refers to as the 'long march through civil society' (Robinson, 2003: 319; 2004: 174).

3.7 Evaluating the transnational thesis

How successful, then, is this transnational thesis at describing the production of space under neoliberalism and what are we to make of the theory of resistance it offers? In other words, how useful is this particular thesis in answering the core research questions concerning, 1) the current production of spaces of capital, and 2) where the spaces of resistance must emerge from. Although the transnational thesis does indeed have much to recommend it, it will be argued that three interrelated issues stand out as being particularly problematic. The first of these concerns the singular conceptualization of capitalist spatiality that this thesis advances. The second difficulty concerns the manner in which the constant dynamic of class struggle and the contradictions of capitalism in producing space unevenly are neglected in favour of unified model. Lastly, because of these theoretical errors, the theory of resistance offered is also problematic when considering contemporary movements seeking to challenge neoliberalism. Lets us now address each of these in turn.

With regard to their characterization of neoliberal space, transnational theorists do capture brilliantly the importance of capitalist class agency in constructing a globally integrated economy as well as the evolution of this class dynamic. The sustained attack on 'nation-state centrism', thus offers an importance corrective to the study of international political economy (IPE). Their work illuminates the functional integration of economic activity and makes a persuasive case for this being qualitatively different from previous epochs of capitalism in its production of space. However, as Morton (2007b: 169) argues, many of the

claims with regard to the dominance of transnational space become over generalized without enough empirical attention paid to specific cases of neoliberalism's constitution within various state forms. Expressions like 'Empire' or the 'transnational' thereby become catch-all terms that, in Fred Block's (2001) words, leap over historical contingencies to justify a grand narrative of social theory without being attentive to just how effective some states may be at resisting neoliberalism and why this might be. The work of Andreas Bieler (2006: 55-67), for example, highlights how the internalisation of neoliberalism in the context of five European Union countries differed vastly due to the varied models of capitalist development that they had adopted. The level of transnationalisation within these countries and the subsequent balance of social forces engendered are thus highly diverse. Taking up this theme, Jessop (1994: 268-269) identifies three differing models of post-Fordist accumulation regimes. These are a single market strategy, a neo-statist strategy and lastly a neo-corporatist strategy. All three elements are in evidence, he believes, within the EU, and also within various state forms to different degrees. Such attention to detail is missing from the transnational thesis and instead all countries are portrayed as following the same march of history. In relation to this point, Noel Castree (2010: 206) is at pains to point out that neoliberalism is not in fact a singular homogenous entity, but rather is "a variegated and uneven global formation constituted differentially at a range of scales." 'Transnational' can therefore imply very different things depending on the power-geometry involved and we must therefore be attentive to the new spatial divisions of labour that are emerging within the globalised economy (this matter will be further highlighted in the next chapter).

This is not captured well by the transnational thesis, as these authors fail to engage substantively with the idea that politics and economics operate across various spatial scales. Instead, their theorisation of spatial and scalar construction is viewed as something of a zero-sum game (Brenner, 2004: 56). The rise of 'Empire' or 'global space' in other words is thought to negate the importance of national or local space. However, this is patently not always the case. One may think of the former Eastern Bloc countries that in joining or seeking to join the EU and become further integrated into global capitalism are in fact *redefining* their idea of national space in relation to how it was previously configured.

Furthermore, specific local sites are also being constructed anew in tandem with the process of creating the global. A classic example of this would be the Pearl River Delta in coastal China (see Harvey, 2010: 33). The production of transnational spatial practices furthermore, is often reliant upon 'common sense' 'spaces of representation' with regard to the national as a fixed scale. For example. the idea that issues such as debt, balance of payments and trade deficits are somehow 'national' problems is frequently invoked and used as an impetus for restructuring along neoliberal lines (Wainwright, 2008: 4, see also Chapters 4 and 5). In agreement with Sassen (2006: 21) therefore, we must recognise that various spatial scales are not mutually exclusive but rather co-constitute one another. Once again, methodologically, this conforms to the notion of incorporated comparison set out in Chapter 1. Here, world order (the totality of capitalist social relations) cannot be postulated to have any existence without an analysis of how this is constructed at other spatial scales (McMichael, 1990: 396).

Sarah Radcliffe (2001: 20) argues the type of thinking associated with the transnational thesis "tends to reinforce a geography in which there are only either 'global' *or* 'local' actors. Such work can often flatten out the connections between specific state formations, inter-state bodies (official and social movements) and political actors." The transnational thesis is therefore guilty of becoming rather totalising in its discourse, emphasising the coherence of Empire or the transnational regime of accumulation rather than its contradictions. Furthermore, the 'global' or 'transnational' in this thesis becomes slightly fetishized and portrayed as something of an exogenous power forcing states to adopt neoliberal measures. However, Peck and Tickell (2002: 383) caution against taking such an approach to neoliberalism that ascribes "extraterrestrial qualities to 'out there' forces, which are themselves typically linked towards homogenization, levelling out and convergence." This is what Doreen Massey (2005: 82) terms an *aspatial* view of globalization whereby "spatial differences are convened under the sign of temporal sequence." This all too easily lends intellectual coherence to the very process one is seeking to combat.

Therefore, whilst recognising the importance of the transnational as a scale at which capitalism now operates, we need equally to be aware that other spatial scales are vital to the constitution of these neoliberal spatial practices. Although

finance and capital may move rapidly around the world, this does not mean difference has been annihilated. As Harvey (1990: 293) counsels: "the collapse in spatial barriers does not mean that the significance of space is decreasing." Rather class struggle is ever more intensively waged over just what particular spaces contain. It is these differences (at the local, or national scale) that transnational production and finance seek to exploit. Thus whist recognising the discursive power of neoliberalism, or the so called meta-logic at work, we need to bear in mind Lefebvre's (1991: 308) famous phrase that "A space that homogenises has nothing homogenous about it." Indeed, as set out in Chapter 1, a key aspect informing resistance is the simultaneous equalisation of conditions of production combined with the difference of social relations inscribed in space (Smith, 2008: 187). In other words those that are suffering from processes of uneven development are increasingly aware of this fact due to the concomitant globalisation of informational flows (Lefebvre, 2008/1961: 316; Appadurai, 1990: 8). This brings us neatly to the related point about class struggle and uneven development.

Although the transnational thesis is very strong on the development of class antagonisms on this new terrain of transnational space, it pushes out the lesser scales at which this also takes place. Lefebvre (1976: 18; 2003: 88) however, makes it clear that spatial and scalar hierarchies do exist. Differences therefore persist between a local order and the more distant order of society as a whole, and conflict frequently results when these intertwine (a theme that will be taken up in detail in Chapters 6 and 7 when the notion of uneven and combined hegemony will be introduced). Following this line of argument, David Harvey (2006a: 73) urges us to recognise the "unpredictable outcome of political and social struggles operating at a variety of scales. These powers can be organized as states or blocs of states, but struggles also occur between regions, cities, communities, local neighbourhoods, turfs etc."

The transnational thesis, in taking what Robinson (2003: 2) describes as a macro-historical structural perspective, thus misses out on the micro politics that are *constitutive* of this larger picture. In this imagery, nation-states simply become overwhelmed by the pressures placed upon them by transnational capital" (Robinson, 2004: 62). A basic error of the transnational thesis is therefore to assume that neoliberal globalization is having unitary affects. In Robinson's

analysis "Globalization, in the process of creating *a single and increasingly undifferentiated* field for world capitalism, integrates the various politics. cultures and institutions of national societies into an emergent transnational or global society" (Robinson, 2003: 12-13). Likewise, Hardt and Negri's (2000: 327) characterisation of Empire as being that of 'smooth space' defined by 'tendential equalisation' would also indicate this lack of friction in the production of neoliberal space. However, as Morton (2007: 175) points out with regard to this, the error of the transnational thesis is to assume that "capitalism is having a unidirectional impact on diverse and geographical state and class relations. The stress on gradual equalisation, furthermore, posits conditions of *evened development* rather than the contradictions of differential developmental conditions." The ontology of globalization that is constructed in the transnational thesis therefore misses out the dynamic of uneven development and persistent contradictions of capitalism in its spatial conception. Whilst transnationalism may indeed be a hallmark of modern capitalist production, does uneven and combined development within the global economy not ensure that some places are more transnational than others, and thus problematise such universal assertions? As just one example, FDI is not evenly spread in it spatial effects. In 1999, developed countries received three quarters of global FDI, of which more than a third went to the US alone (UNCTAD, 2000: xvii). The transnational thesis is insensitive to these issues and is instead based on the assumption that the transnational, is transnational, is transnational! However, as was made clear in the previous chapter, the production of differential space (within circumscribed limits) is vital for the continuance of capital accumulation. Whilst agreeing that that the totalization of capitalism also implies the totalization of its contradictions (Lacher, 2006: 108), one also needs to remember the contradiction outlined above in relation to the equalisation of the conditions of production taking place alongside the creation of differences in space. The transnational thesis seeks to find emergent tendencies that are all past residuals. However, as Chapter 2 stressed (and as Chapter 5, 6 and 7 will highlight in detail) it is these very residuals which inform future trajectories in the manner in which they are incorporated into new instantiations (McMichael, 2001: 202). Thus, as Lefebvre (1991: 86) rightly puts it, "the worldwide does not

abolish the local." When examining the production of neoliberal space we therefore need to recognize the new dimensions to capitalism's spatiality such as the mobility of finance and the transnational integration of production without reducing these changes to a simplistic explanation that posits a transition from the national to the transnational but instead is attentive to the various spatial scales though which capitalism now operates across (Lacher, 2006: 153-4). As Bruff (2010) correctly illustrates, the transnational thesis subsumes everything within this scale and ignores the continued importance of the 'international' within the global political economy.[10]

The transnational thesis does the exact opposite of what the previous chapter warned against in that it 'rigidifies' and turns into absolutes processes that are still highly tendential and contested. Lefebvre (1976: 54-55), however, warns us that the construction of models that are not extremely relative and that do not take into account the confrontation that emerges in everyday life and the potential for change that this brings with it, arguing, "the methodology of models thus tends to eliminate both radical critique and the contradictions (the dialectic) of the lived." (on this point, see also McMichael, 2001: 201-202).

In terms of its normative implications for a politics of resistance, the transnational thesis is quite possibly correct in assuming that a purely national spatial struggle is not feasible as a strategy for complete liberation from capital. This point however, is hardly novel. Indeed, this was the central thesis Leon Trotsky (1962/1930) advocated with his theory of permanent revolution. The difficulty with Hardt and Negri is their conflation of three issues: namely the need for a global strategy of resistance, and the lack of an independent space for which revolution could emerge from, and the virtue (or not) of seeking control of the state.[11] However, these are separate questions that need to be dealt with in turn. As the

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[10]Rosenberg (2006: 308) defines the 'international' as the "dimension of social reality which arises specifically from the coexistence within it of more than one society." As noted above, the transnational thesis rejects this, claiming that there is now simply one single global society in a sociological sense. This is a highly dubious claim, especially when one considers Kees van der Pijl's (2007: vi) exhortation to in fact widen our notion of international relations to include "communities occupying separate spaces and dealing with each other as outsiders."

[11]Robinson (2008: 344) in this regard rather contradicts himself, as despite claiming the state is no longer site for backwards and forwards linkages, then advocates the taking of state power for these very reasons, thus displaying very little difference from the position of Marx and Engels which he criticizes.

issue of state power will be considered in detail in Chapters 5, 6 and 7, little will be said on this matter here. However, far more problematic is the seeming contradiction between asserting the need for a global strategy of resistance whilst simultaneously denying that any independent space for political transformation exists. As Lefebvre (1976: 13) rightly argues, a resistance that aims at the transformation of totality must begin somewhere. Hardt and Negri by contrast have no geographical sense to their theory of resistance, relying instead on notions of 'desertion' or 'exodus'.[12] They write with regard to this; "Battles against the Empire must be won though subtraction and defection. This desertion *does not have a place. It is the evacuation of the places of power*" (Hardt and Negri, 2000: 206, emphases added). However, this is to ignore that an essential dynamic of many resistance movements is precisely in the reclaiming of place in the face of attempted dispossessions (see Chapter 6 and 7). The transnational thesis therefore removes the 'staging post' for politics and leads to what Merrifield (2006: 129) has labelled a 'big bang' thesis of revolution. However, resistance cannot be formed in a vacuum. It must begin from a certain point in time and space. Just as the abstract space of capitalism must be grounded in some absolute physical space, so too resistance must be located in the material reality of everyday struggle (Lefebvre, 1976: 13). As Kees van der Pijl (2001: 499, emphasis added) notes, resistance to neoliberalism requires "a rolling back of the discipline of capital. This is turn will require that people resist that discipline in the *specific circumstances* that it is imposed on them." The words of author and activist Arundhati Roy (2001: 86) are prescient with regards to challenging neoliberalism at the purely transnational level. Instead of attempting the wholesale transformation of the system all at once she declares that; "attempts to define it, and fight it all at once is impossible. The only way to fight it is by fighting specific wars in specific places."

This idea is similar to the strategy put forward by Holloway (2010) who calls for us to create cracks in capitalism and to recognize that interstitial spaces for political transformation can still be formed. This may well involve resistance

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[12]It should be noted that these themes of resistance were most cogently articulated by Deleuze and Guattari (1988) and it is from these authors that Hardt and Negri draw much of their inspiration.

being advanced at the transnational level. But it may equally involve a local and/or national dimension. Just as the error of the transnational thesis was to elide the various spatial scales upon which capitalism now operates, so too we need to be wary of their advocacy of a politics of resistance acted out at purely the transnational level. Rather, resistance, like capitalism must operate though a variety of spatial scales, with the degree to which it acts upon these depending on historically specific circumstances. The issue is not where resistance starts from. Rather it is about spreading and not remaining static (Harvey, 2010: 138). In other words, it is about not being confined to one spatial scale or another but being able to 'jump scales' (Smith, 1993: 97; Gibson, 2005). The transnational thesis does not concern itself with the continuing nuances of spatial differences preferring to instead emphasize the narrative of a monolithic capitalism against a monolithic resistance (whether it be called the transnational working class or 'multitude') confronting one another in a millenarian manner (Holloway, 2002: 137). However, Silver (2003: 9-10) has argued that research on world income inequality "is not easy to square with the image of an emergent homogenous global working class in-itself" as income inequality between countries remains more potent than inequality inside countries. Such simplistic assertions of the transnational thesis are therefore problematic.

3.8 Conclusion

This chapter has engaged in a detailed discussed of the changing spatial and scalar configurations associated with neoliberalism. The theoretical framework established in Chapter 1 was hereby utilised to give concrete meaning to class struggle taking place through space. This was highlighted by considering the transition from embedded liberalism to neoliberalism - exemplified in the shift from Fordist accumulation regimes based upon national regulation to a more flexible accumulation strategy of neoliberalism characterised by the transnationalization of finance and production - in light of the decline in profit rates and low rates of growth that began to occur in the 1970s. The transnational thesis was then scrutinised to see how well it captured these changes.

The agency of the TCC was highlighted as being key to the production of neoliberal space. However, it was noted that just as the system of 'embedded liberalism' could not be defined *only* with reference to national space, so too neoliberalism cannot be defined by a *purely* transnational space. Indeed, the raison d'etre for transnational capital and production is to exploit the differences in what various spaces contain by way of their social relations. This implies a constant uneven geographical development inherent to neoliberal space that is missing from the analysis of the transnational thesis. The constant friction of class forces opposing the logic of capital is also missing from their thesis and instead a uniform picture of 'smooth' neoliberal space is postulated. Concurrent with Massey (2005), we thus need to recognize that space is the realm of multiplicity, yet this multiplicity must be linked to the causal dynamics of uneven and combined development (Rosenberg, 2006, 2010: 166). It is therefore argued that we need to conceive of neoliberal space as being made from the dialectical relationship between a variety of spatial scales. Drawing from the method of incorporated comparison, the whole can only be understood in relation to its constituent parts. It was also argued that we need to be attentive to questions of place and geographical specificity when considering the nature of resistance. In summary then, the transnational thesis advances our inquiry into the historical sociology of international relations by 1) focusing attention to current problems, and 2) giving consideration to questions of space and scale in addressing empirical problems. Nevertheless, it was argued that their spatial conceptions were found wanting, and not enough attention was paid to the problematic of uneven and combined development. Their mischaracterization of the spaces of capital means they fail to adequately theorise the spaces of resistance. These are key lessons that will help inform the chapter that follows, where the strengths of both the transnational thesis and the current historical sociology of international relations schools will be drawn upon, while seeking to avoid their shortcomings.

Chapter 4

Latin America and the Production of the Global Economy

> Capitalism should be studied in the hope, not of finding how its history may repeat at a later date in the peripheral countries, but of learning how the relation between the peripheral and central was produced

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Cardoso and Faletto, 1979: 23

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This chapter seeks to show how neoliberal space has been forged within the Latin American context, replacing import-substitution industrialization (ISI) as the region's dominant developmental paradigm. The purpose of this chapter is to further the empirical analysis of the spatial, both as a terrain produced through capital accumulation, and as a site of resistance movements' struggle. It will help shed further light on the key research question regarding the 'spaces of capital' by providing a detailed examination of how geopolitical conflict takes place through the dynamics of capital accumulation leading to the establishment of new spatial divisions of labour. On the other hand, it will also provide the background in

which we can situate movements of resistance to neo-liberalism, and understand the necessity for these movements to challenge the logic of capital at multiple spatial scales. It thus helps point towards an alternative theorisation of what it means to engage in class struggle (a point to be taken up in detail in Chapters 6 and 7).

In exploring the production of spatial relations within the Latin American context, this chapter adopts a historical sociological perspective (outlined in the introduction), seeking to demonstrate the key role of class struggle as the driving force of this process as well as considering the role of the state, conceived as part of the totality of capitalist social relations (see Holloway and Picciotto, 1977). Following Morton (2007c: 599), it will be argued that the history of state formation and developmentalism within national contexts must be situated within (although not predetermined by) the wider fundamental dynamics of the international political economy. Two related themes emerging from Chapters 2 and 3 are thus drawn upon here and further elaborated. The first of these is the need to understand hegemony and class struggle as taking place across a variety of spatial scales. The second relates to the contradictory nature of capitalism as a mode of production, generating crises of over-accumulation which are then attempted to be resolved by means of spatial and scalar fixes. Both of these ideas can be witnessed in the history of Latin America's development trajectory, in particular during the transition from ISI to neoliberalism. David Ruccio (2010: 307-308) has argued that explanations for this transition have focused predominantly on either 1) the profit squeeze (a contradiction of the national mode of regulation), or 2) crises among advanced capitalist countries feeding into the international environment (a contradiction between national modes of regulations). "An alternative" he argues, "would be to integrate the two accounts and investigate the connections between the internal and the external." This is exactly what this chapter sets out to accomplish by deploying the method of incorporated comparison and focusing on the nature of uneven and combined development within the global economy. This will show how, contrary to the transnational thesis, the 'international' retains a vital role in geopolitical explanation.

A broad historical narrative is presented here, the details of which will be complimented when the specific instance of Mexico is examined in the following

chapter in relation to the key themes that will be developed. Whereas the previous chapter bridged the divide between the abstract and meso levels of analysis, the purpose of this chapter is to serve as a point of arrival to the concrete level from the meso. An obvious objection to such an intellectual task is that the diversity of countries' experiences within the region makes any generalization ultimately fruitless. What happens to be the case for relatively wealthy countries such as Brazil or Chile might not be the case for a country such as Bolivia. However, while due attention must be paid to historical specificities, we must also be aware of the key points of commonality. For example, all Latin American countries share a colonial history of incorporation into two Iberian empires that put a major fetter on economic development, and underwent an analogous process of liberal reforms post-independence, which involved an assault on peasant land tenure and the transfer of resources to politically connected landowners (Coatsworth. 1998). Furthermore, all countries in the region (with the exception of Cuba) have used capitalism as the engine of growth and development, and all have a dominant class that represents "a numerically insignificant proportion of the economically active population" (Portes, 1985: 34). Lastly, although these plate tectonics may be subject to change, all have hitherto occupied a subordinate position within the global economy (Cardoso and Faletto, 1979).

The chapter will proceed in the following manner. First, the production of space in Latin America will be considered in relation to both the colonial and post-colonial integration into the world economy. Second, the rise of ISI will be discussed in relation to its class referents. Third, the spatial characteristic of ISI will be rendered before; fourth, these contradictions are explored. Fifth, the rise of neoliberalism as a new spatial and scalar project will be examined and finally a discussion of challenges to this in the form subaltern class resistances is discussed and conclusions drawn.

Let us begin with a brief history of the production of spatial relations within Latin America in order to examine how they have been forged in dialectic relation to the international capitalist economy. This will highlight the need to understand state formation and developmentalism as a process of class struggle taking place across multiple spatial scales. This will contribute to understanding the role of

the state in furthering capitalist development and help shed light on the anti-statist nature of many contemporary resistance movements (to be considered in Chapters 6 and 7).

4.1 Incorporating Latin America

The production of space in Latin America has, for the past five centuries. been heavily mediated by external factors. With the advent of colonialism. the 'veins of Latin America' were forced open to facilitate the extraction of wealth and integrate the space of the 'New World' with that of the West (Galeano, 1971/2008). Owing to high transportation costs, new settlements were constructed near rivers or coastal areas. However, with the advent of the railroad, space as an object of exchange value was invested in, and agricultural production for export shifted to the interior of the continent (Coatsworth, 1998: 28). Commenting upon the alteration in spatial practices that were affected by this, Phillip Oxhorn (1995: 254) argues that,

> patterns of colonial trade and administration were highly centralizing influences, concentrating economic, political and social resources in a few major cities and ports throughout the region. After independence, these same cities came to dominate the national political, economic and social scenes in most countries.

Latin America became integrated into the world economy post-independence through a strategy of export-led development fuelled by primary commodities. Politically this corresponded to the dominance of the rural oligarchy (Cardoso and Faletto, 1979: 14; Kaufman, 1990: 127). The very same cities that had served as colonial capitals, now (as national capitals) came to act as primary nodal points for Latin America's integration into the world economy serving as "a conduit for the export of primary products and the importation of manufactured goods and capital" (Oxhorn, 1995: 254). One can highlight the role of internal class forces in helping to produce this early state form, as a rural oligarchy and urban elite came to share similar interests. contributing to "a further concentration of resources and power" (ibid). However. these internal class

forces were heavily mediated by the international capitalist economy. From the period 1870-1914 conditions within the 'international' influenced Latin American state formation and developmentalism in two key ways. First, Latin America's insertion into the world trading system "and the corresponding ease of borrowing from abroad helped to stifle whatever potential for local production of technology might have survived the Spanish crown's attempt at modernisation in the closing decades of the colonial era" (Glade, 1986: 2). During the latter part of the nineteenth century British investment was particularly decisive. By the end of 1880 British investment in Latin America totalled £179 million and by 1890 the figure was £425 million. Between 1890 and 1913, Latin America received one quarter of all British capital flows (IDB, 2007: 68). This was primarily for infrastructural development. This export of capital from the centre to periphery can be explained by what David Harvey (2006b: 427) refers to as the inner and outer dialectics of capitalist transformation. As we explored in Chapter 2, it is the inherent problem of overaccumulation that impels capitalists "to explore geographical frontiers or look to the production of use values that will pay off further and further into the future" (ibid: 410). Thus, owing to overaccumulation in one particular place (in this case the US and Western Europe), the 'inner dialectic' of capitalism causes it to expand beyond its current frontiers to forge new relations across space. Although the persistent problem of overaccumulation is not resolved it is displaced by means of a spatial fix e.g. a new round of accumulation or 'outer transformation' of the periphery. This process is of course imbibed with a particular power-geometry as Lenin (1917/1987a) recognised. Furthermore, as well as creating new sites for the recomposition of capital, it also creates new sites for class antagonisms to be generated (Silver, 2003: 64).

The other key factor located within the 'international' was the fact that industrial production in the core capitalist countries determined the level of demand for the region's primary products (Bulmer-Thomas, 1994: 57; Glade, 1986: 7). In this manner, Latin American state formation and developmentalism were framed in an "overarching structure of articulation provided by the world market system (Glade, 1986: 8). During this period, although pre-capitalist social relations persisted, "capitalism came to be installed as the hegemonic mode of production

among the several co-existing types" (ibid: 49). The expansion of the export sector had promoted urbanization and "contributed to the growth of a wage earning working class and a salaried middle class" (Bulmer-Thomas, 1994: 130). This would provide the stimulus for the emergence of a domestic manufacturing sector, although at this stage agriculture was still the dominant mode of employment, and thus oligarchic power still remained both economically and politically superior to that of the bourgeoisie (who remained very much a minority). However, the absorption by industry of a new class of workers in the cities demonstrates the key point made by Gramsci (1971: 59): namely that embryonic hegemonic activity needs to begin *before* the rise to power of a particular class.

4.2 The rise of import-substitution industrialization

The outbreak of the First World War was an important milestone as the beginning of the end for both the export-led strategies of development and (as a corollary) oligarchic power. The war served to boost nationalism and increase acceptance of the necessity of state intervention in the economy (Thorp, 1986: 71). More importantly for its effect on Latin American developmentalism was the fact that the war destroyed the integrated markets for goods, capital and labour. Due to the re-imposition of capital controls that the European countries introduced to aid their financing of the war, they were no longer in a position to export surplus capital to developing countries (IDB, 2007: 74-75). The dominant developmental strategy that began to emerge in Latin America was that of import-substitution industrialization (ISI). As will be explained, this was linked to a highly different set of spatial practices and ideological representation of space, themselves informed by the dynamics of uneven and combined development.

To understand the rise of ISI it is imperative that we once again recognise how domestic class forces within national state forms reacted to conditions within the international economy in forging this new developmental paradigm. From the late nineteenth century to World War II capital exports by the US and Europe had mainly been focused in the primary sector and public utilities. However,

this was to create tension between governments and business over the amount of capital that was reinvested back into the domestic economy, contributing further to the rise of nationalism (Varas, 1995: 275). Moreover, there was growing class conflict in Latin America between the old elites tied to the agrarian export economy and those linked to the newly emerging industries. Due to levels of foreign investment, "a nascent group of industrialists developed under the auspices of the state. In trying to promote their own interests, these new industrialists had to challenge the traditional oligarchic rule, producing tension and clashes with the powerful landowning class" (ibid). Although numerically small, the fact that manufacturing growth began to lead the expansion of GDP for the first time can be cited as evidence for the growing importance of the bourgeoisie as an historical subject (Kaufman, 1990: 113). Adding to this atmosphere of class conflict was the fact that urban labour in the 1930s began to try to assert itself as a social force leading to tensions within the old development structure (Skidmore and Smith, 1992: 54). It is worth noting at this point the importance of the changing character of hegemony within the international sphere and the impact this had upon Latin American state formation and developmentalism. As previously mentioned, British hegemony (the so-called *Pax Britanica* is usually dated between 1815-1914) in the international political economy helped reinforce the oligarchic export-led development strategy in its demand for Latin American primary products as the driver of its domestic industrialization. Furthermore, Latin America would then serve as a key destination for the exportation of British manufactured products. The emerging American hegemony after World War I, however, would presage the rise of worldwide industrial productive relations (Gramsci, 1971: 277-216; Cardoso and Faletto, 1979: 24-26; Glyn *et al.*, 2000: 56). These emerging economic ideas would be used to enhance the power of these nascent elites in Latin America[1] and provide an atmosphere convivial to their further expansion.

Gramsci (1971: 116-117, emphasis added) was attentive to the manner in which geographical interlinkages such as these were formed, highlighting how, in many cases: "the impetus of progress is not tightly linked to a vast local economic development...but is instead the reflection of *international developments*

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[1]For a discussion on the role of ideas and their impact on economic development see Biersteker (1995).

which transmit their ideological currents to the periphery - currents born of the productive development of the advanced countries." In other words, the changing character of hegemony in the international political economy laid the foundations that were conducive for change in the character of hegemony at other spatial scales such as the regional and the national levels. This is not to say that the outcome of social struggle over the state form was pre-determined by the international sphere. merely that the terrain was created in which certain modes of development could be more favourably articulated.

This was further reinforced with the onset of the Great Depression. In this period, demand for Latin America's primary products severely contracted as did the availability of capital to the region. Duncan Green (1995: 15) describes the situation of the region in the 1930s as one of "growing poverty, social unrest, repression, economic recession and defaults over foreign debt. Latin American export markets disappeared, and economies starved of hard currency had drastically to curtail imports." This led to a climate of export pessimism in which ISI emerged, not so much as a coherent developmental paradigm, but rather as an emergency measure to "stave off the balance of payments crisis, maintain employment and to defend the interests of politically important constituencies" (Kaufman, 1990: 114). As will later be demonstrated, this would not be the last time the issue of debt was used to presage a restructuring of the state and the direction of development. World War II further contributed to the change in developmental policy. The scarcity of imports led to a stimulation of domestic manufacturing so that post-war industrial production expanded over 33% above pre-war levels (UN, 1949: 1). The ending of the Second World War furthermore was not a positive experience for the region as wartime co-operation with the US ceased. Moreover, with the new geopolitical dynamics of the Cold War. the reconstruction of Europe was prioritized over investment in Latin America thus limiting the exogenous capital available for development (Bulmer-Thomas. 1994: 257). Post-war, the region had a reasonably healthy level of foreign reserves. However, a combination of debt resettlement, nationalizations (and subsequent compensation paid) and the massive rise of imports (an increase of 75% in three years) meant that these reserves were quickly diminished (ibid: 262). Thus, in this international climate of changing hegemonic structure, scarce capital flows and a

rising domestic bourgeoisie who sought to insulate themselves from foreign competition and an increasingly aware working class, ISI emerged in Latin America as the dominant developmental paradigm. Drawing upon Morton (2007c: 612-13), it can be highlighted how transitions to capitalist modernity therefore unfolded "in a world-historical context of uneven and combined development" as it was the desire for economic development from all classes within Latin America coupled with particular conditions within the 'international' that led to the decline of the old model of accumulation and its replacement with ISI.

By the 1960s every Republic had an ISI policy of sorts (Bulmer-Thomas, 1994: 262). As Ricardo French Davis (1994: 188) summarises, although the specific policy content differed, "most Latin American countries from the 1950s to the 1980s have in common the basic features of relying upon the manufacturing sector as the main engine of growth. It is therefore possible to speak of a common Latin American experience of ISI." This was reinforced by institutions such as the *Comision Economica Para America Latina y el Caribe* (CEPAL, Economic Commission for Latin America) that helped lay the intellectual foundations for the model. Of particular importance were the economists Raúl Prebisch and Hans Singer who acted as key 'organic intellectuals' providing homogeneity and awareness to the emerging bourgeois class and providing the theoretical terrain on which they could establish their hegemony (Gramsci, 1971: 5-23). Drawing upon the theoretical basis that was laid out in the previous two chapters, we can see once again how ideology (the manner in which space is represented) can intervene in spatial production.

4.3 The state mode of production in Latin America

ISI sought to build on the prevailing Keynesian ideas (analysed in Chapter 3) with regard to the central role that the state had an important role to play in the direction of economic activity. The overarching purpose was to facilitate a development strategy for the countries of the region that had been denied to them due to the experience of colonialism (Kiely, 2007: 53). The adoption of ISI

thus represented a new epoch in state formation in Latin America. Previously, the state had sought to promote the interests of the exporting sector whilst also acting as a conduit for foreign investment and thus had taken a subordinate role to the private sphere (Cardoso and Faletto, 1979: 129). As was explained earlier, this corresponded to the dominance of the domestic oligarchy and the particular mode of integration with the international political economy. With the newly emerging model, the state's function changed to providing the infrastructure necessary to create the conditions propitious for industrialization. Domestically this entailed intervention to regulate prices and provide credit and subsidies, as well as controlling the labour market and establishing state-owned enterprises (SOEs). Concurrently, tariff barriers were erected and/or quotas installed to protect domestic industry from competition. Lastly, in congruence with the received wisdom of the time, strict financial controls were imposed on capital movements (Stallings, 2005: 3-4). ISI thus came to be based around three key ideas: the promotion of the domestic industry that should produce goods for the domestic market, the reduction of dependence on both foreign manufactured imports and the exportation of primary products, and lastly on protection for these domestic industries (Kiely, 2007: 50). In terms of the spatial relations that were produced, ISI contrasted with the previous era of export-led growth. Instead of looking outwards and seeking to generate growth through integration with the world market, ISI can be thought of as an inward-looking development strategy in which the countries of the region based their economic dynamism on the growth of their own domestic industrial sector. This can be empirically witnessed by examining developments in world trade and Latin America's role in this. Between 1948 and 1973 the value of international trade rose at an annual rate of 9.7%. However this was mainly concentrated in the developing countries. In this same period Latin America's share of world exports declined so that "by 1965 the region's share of world exports had fallen below its share of population, perhaps for the first time since independence" (Bulmer-Thomas, 1994: 270). Imports also declined substantially as a percentage of GDP (Furtado, 1970: 111). It is important to stress at this point that the institution of ISI was not an autocentric process but rather the confluence of national and international class dynamics. Due to the collapse of the export-led growth model, the economic hegemony of the oligarchs

receded and concomitantly there was a shift in power towards "foreign and domestic industrial capitalists interested in preserving or gaining access to protected markets" (Kaufman, 1990: 121) One can demonstrate this point regarding the relative power of class forces in Latin America if one compares the respective roles of agriculture and manufacturing production to the contribution of GDP. During the 1950s, primary products fell from 17.2% of GDP to 8.9%. Conversely, manufactures rose from 18% of GDP to 21% (French-Davis, 1994: 172). Following the demise of agro-exportation as a model of development, the industrial bourgeoisie tied to the state were the only group capable of establishing a viable hegemonic project, defined as: "the mobilization of support behind a concrete, national-popular program of action which asserts a general interest in the pursuit of objectives that explicitly or implicitly advance the long term interests of the hegemonic class" (Jessop, 1990: 208). As mentioned above, since the 1930s (and continuing with the growth of industrialization) the working class had increasing been constituting themselves as an important political constituency. Migration from the countryside to the cities in search of employment threatened to create urban unrest and necessitated job creation. Thus, as Cardoso and Faletto (1979: 26) explain, the industrial group were - despite their apparent marginal situation - the "only group in the new urban sector that possessed a real economic base. As the one group that could actually absorb urban popular sectors in a productive way (they were) strategically situated to establish terms of alliance or compromise with the rest of the social system." This conforms to Gramsci's (1971: 116) view of how hegemony is established as what is important is not necessarily the numerical size of a class but its ability to represent (or potentially represent) the wider interests of society at a particular juncture. Jessop (1990: 99) elaborates upon this point, highlighting how economic hegemony is established "through general acceptance of an accumulation strategy. Such a strategy must advance the immediate interests of other fractions by integrating the circuit of capital in which they are implicated at the same time as it secures the long term interests of the hegemonic fraction." Thus, when examining the constitution of ISI's economic hegemony it is imperative to note that the power of the landowners was not completely eroded. This was because, instead of a bloody revolution (the case of Mexico notwithstanding), there were "sufficiently elastic frameworks to allow the

bourgeoisie to gain power without dramatic upheavals" and whilst not eliminated, the old oligarchic classes were "demoted from their dominant position" (Gramsci, 1971: 115). Instead, a new class alliance was formed under the new regime of accumulation. In order to industrialize, the region needed to purchase the necessary capital goods from abroad. This necessitated foreign exchange raised through the continuing exportation of primary products. ISI thus provided a "framework of tense interdependence between industrial and agro-exporting sectors; a growing power for state elites emerging within this framework; and an increasing use of the state's regulatory apparatus to protect organized interests" (Kaufman, 1990: 112). In this manner the emergence of ISI can clearly be thought of as a Latin American variant of the 'state mode of the production' described in Chapter 3. In other words the 'space of growth' was one clearly managed and controlled by the state (Lefebvre, 1975/2009: 107-111). This state power was enhanced by their control of exports (Pearce, 2004: 493). The process of state formation in Latin American can also therefore be related to Gramsci's twin concepts of passive revolution and *trasformismo*. The former refers to a situation whereby the state plays the leading role in the process of transforming social relations, and its associated concept *trasformismo* describes the "establishment of an ever more extensive ruling class" within the framework of the established order (Gramsci, 1971: 58). As Robert Cox (1983: 167) has noted, these concepts have particular purchase when applied to peripheral, industrialising countries.

Once again recalling the triad of spatial practices, spaces of representation and representational spaces (the perceived, the conceived and the lived), we can see how ISI maps on to each level. With regard to spatial practices, the focus on the growth of internal market expansion clearly represented a break from the previous model of integration. In relation to 'spaces of representation' one can examine how nationalism and the representation of 'national space' came to be utilized as an elite class strategy for capital accumulation. There was however a limited degree of incorporation of the demands of the popular classes such as spending on social services, subsidized consumption, increasing employment opportunities and rising real wages (Robinson, 2004b: 137). This was achieved through the process of strong unionization often linked closely with the state in the method of corporatism. In terms of the 'representational spaces' of ISI, the

previous two elements were able to exert a powerful influence in creating a model for incorporation. In this manner, ISI as a hegemonic project can usefully be defined as one of 'controlled inclusion' (Oxhorn, 1995). In other words, it was very much a process of inclusion from above in which the electorate were viewed as clients rather than citizens (Pearce, 2004: 494-496). Co-optive democracy and populism were to become key traits of Latin American states during this era (Skidmore and Smith, 1992: 55).

As a strategy for national development ISI had some degree of success. The period 1950-1981 saw a large increase in per capita growth, almost 5.5% per annum with output per capita concomitantly increasing by 2.8% (French-Davis. 1994: 169). The region also made significant progress in industrializing. Between 1950 and 1978 manufacturing increased its contribution to GDP from 9.3 to 57.9 billion dollars. However, it should be stressed that this impressive growth sat alongside the continuation of vast inequalities. Critically, despite the inward looking nature of the developmental model, Latin America never managed to create a development strategy that was not reliant upon both foreign technology and capital to sustain its accumulation process. In what follows it will be highlighted how ISI as a hegemonic project collapsed not only as a result of the accumulation strategy underpinning it, exhausting its potentialities and thus creating the terrain for new social struggles, but also because worldwide there was a restructuring of capitalist social relations which the region was not immune to. After all, it should be remembered that "the history of central capitalism is, at the same time, the history of peripheral capitalism (Cardoso and Faletto, 1979: 23). This contention will be explored in relation to the debt crisis that swept through Latin America in the 1980s. However, as will also be demonstrated with regard to this crisis, the history of peripheral capitalism is equally the history of central capitalism. This will serve to underscore the key points made in the previous chapter with regard to the mutual construction of various spatial scales for capital accumulation and the vital role that uneven and combined development plays within this process. It will also allow us to construct an analysis of the debt crisis in terms of geo-political competition that will be further substantiated in the next chapter.

4.4 ISI: failed incorporation or successful class project?

Let us now explore the contradictions of ISI as a "distinct regime of accumulation" (Lipietz, 1987: 14). A key difficulty Latin America faced was trying to develop a self sustaining manufacturing sector. Other nations who had managed this. such as New Zealand, South Africa and Canada, had industrialized alongside their integration into the world economy (UN, 1949: 53). Latin America, by contrast, was inserted into the global trading system prior to this and thus came to rely on the transfer of resources generated from the sale of primary commodities to fuel the domestic industrial sector. As mentioned previously, this was essential to generate the exchange revenue necessary to buy the components needed for domestic industrialization as there were only limited indigenous capital goods industries in most Latin American countries. However, it is always difficult to increase the inputs necessary for industrialization whilst relying on primary products, as historically they have a relatively low elasticity in terms of demand. Compounding this problem was the fact that the net barter terms of trade (NBTT) for primary products had declined significantly following the Korean War so that by 1967 they were 30% below the level of 1950 (French-Davis, 1994: 180). Thus, despite the attempt to create endogenous growth conditions, ISI failed to move the region away from exogenous shocks. Although ISI did manage to reduce Latin American dependence on consumer goods, this was only achieved through *a new relation of dependency* on capital goods (Kiely, 2007: 54; Skidmore and Smith, 1992: 56). One must at this juncture take heed of Doreen Massey's (1994: 59) point, namely that in analysing space and spatial changes in one area, one must also remain mindful of the fact that the rest of the world does not remain static, and that furthermore the requirements of production are constantly evolving. Indeed, during the period 1965-1973 the world economy began to move away from internal growth to growing internationalization of trade (Glyn *et al.* 2000: 87). The prevailing climate of 'export pessimism' in Latin America however, meant that the region was slow to adopt to the openness of the international political economy, and unlike the NICs in East Asia, failed to see the potential of manufactured products as a strategy for growth. When this was realized in the 1960s, years of

high tariff barriers meant that the Latin American manufactured products were highly uncompetitive and often of a low standard. This, coupled with the over-valuation of most Latin American currencies, meant manufactures struggled to break into world markets (Bulmer-Thomas, 1994: 283-84).

The region also remained heavily dependent on foreign capital to expand the accumulation process. This led to attempts to encourage FDI in a bid to en-courage technology transfer and provide much needed capital. An alliance thus developed between foreign capitalists and the domestic bourgeoisie connected to state power. For foreign companies, investment in Latin America provided a re-gion with new fertile markets, cheap labour and a highly protected environment that they could invest inside (Twomey, 1998: 181; Varas, 1995: 276; UN, 1957: 52-53). However, foreign firms often sought to repatriate profits, creating tension with an inward looking model of development that relied upon the reinvestment of this capital in order to expand domestic production. One therefore has to be cognisant of the place of Latin America within the emergence of a new spatial division of labour. As Massey (1994: 59) has argued, the production of spatial inequality is inherent to this very concept. In order to pay the dividends accruing to foreign investors whilst retaining their productive capital and expertise, new loans began to be sought (Martínez, 1993: 67). As we shall later see, this co-incided with an international environment in which surplus capital was actively seeking new markets. This fact, however, makes any claim of ISI representing a purely 'nation-state' phase of capitalist development (e.g. Robinson, 2003, 2004a, 2004b, 2008) somewhat nonsensical, as outside forces, as we have seen, were partly constitutive of this model from the outset. Full sovereignty over economic devel-opment was never achieved, leading Alain Lipietz (1984: 76-77, emphasis added) to conclude that ISI as a model of accumulation was "immediately and durably *international in character.*" Its portrayal as simply a "regional-specific version of Fordist-Keynesian national capitalism" (Robinson, 2008: 51) therefore becomes problematic as it elides the very different power geometries involved. Whereas Fordist-Keynesian regimes generated their own surpluses (and indeed suffered from a lack of avenues for profitable investment) Latin America was reliant upon the importation of this surplus capital, and therefore occupied a structurally subservient position within the global economy.

Another long term structural problem with ISI was its inherent class divide. As Oxhorn (1995: 258) powerfully argues; "The viability of the industrialization model required growing domestic markets. Ultimately this led to growing demands by the working classes which Latin American economies strained to meet." Few workers could afford to buy the products they manufactured (Green, 1995: 18), thus highlighting the alienating conditions under which capitalist production was taking place and its internal contradictions as a regime of accumulation (Marx, 1844/2007: 69; Lebowitz, 2003: 12). Moreover, under ISI the income in real terms going to the poorest elements in society actually shrank (Portes, 1985: 24). Unlike Fordism in the West, a consensus about the merits of large scale redistribution was not reached. Whilst those elites tied to the basic consumer goods industries favoured a more progressive income distribution to expand their sales base, this was opposed by those linked with consumer durables and intermediate goods (Varas, 1995: 277). Some attempts to overcome this limited scope for capital accumulation were attempted by means of a 'spatial fix' of regional integration in order to achieve economies of scale. However, despite some increases in inter-regional manufacturing exports, this new scalar arrangement did not fulfil expectations and the lack of domestic demand remained a key contradiction of the accumulation strategy.

Adding to this difficulty was the fact that unemployment was an increasing problem in Latin America. Despite the success of ISI in stimulating economic growth it suffered from the fact that its model of industrialization was highly mimetic of patterns found in the developed countries, reflecting the nature of uneven and combined development. This meant that it tended to be technology intensive and thus had a limited potential for job creation as it failed to absorb workers into formal productive structures (again highlighting the importance of recognising Latin America's place within a global spatial division of labour). Unemployment in this manner became a structural condition of ISI due to the fact that technology was imported in an effort to 'catch-up' with the West (Duménil and Lévy, 2004: 37-42). Therefore, as Alejandro Portes (1985: 29) illustrates. "despite accumulated industrial growth during the period following World War II, the relative size of the informal proletariat declined by only 4 percent between 1950 an 1980." This would lead to increasing social tension and conflict.

heightened by the fact that "the capacity of education to provide avenues for social mobility was nearing exhaustion as the creation of high paying employment failed to keep pace with the expansion of education levels in the workforce" (Oxhorn, 1995: 258). The frustration of the popular classes led to increasing demands to maintain their limited political and economic inclusion. These mobilizations from below were often met with highly authoritarian responses from above by elite classes in which 'coerced marginalization' emerged as a key state policy to replace the former model of 'controlled inclusion (ibid: 257-258).[2] As Silver (2003: 165) explains, a key contradiction of the developmentalist state was that increased labour militancy led to a loss of legitimacy. However, to overcome this through increased social spending would threaten profit rates and therefore reduce the foreign investment that had become vital to the growth model.

Ultimately ISI as a hegemonic project withered as the accumulation strategy that underpinned it came into crisis. Just as the oligarchs had sought foreign investment as a means of helping to secure their own power, so a similar strategy was now pursued by the bourgeoisie. Within all the Latin American states, ISI was consuming a vast amount of resources on things such as infrastructural development, inefficient SOEs, and social welfare provisions. This helped precipitate a shifting basis of class power away from manufacturing and towards the financial sector. Indeed this has been identified as one of the hallmarks of neoliberalism worldwide (Duménil and Lévy, 2004). Harvey (2006b: 303) synthesises the changing relationship as follows: "the capacity of industrial capitalists to finance their own investments and extend credit to each other is exhausted as they reach the limit of their cash reserves. They are forced to turn to the banks and the financiers who strengthen their power vis--vis industrial capital as a consequence." This was exactly what occurred in Latin America, but crucially the financiers were external forces in the shape of international banks. Thus, contemporaneous with James Dietz (1989: 21), the rapid expansion of debt-led growth should thus be viewed as

> a concrete and costly manifestation of the continuing and deeply retrograde nature of Latin America's class structure, a structure that

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[2]This can be particularly evidenced in the turn to military/ authoritarian regimes in Brazil (1964) Argentina (1966) Chile (1973) and Uruguay (1973).

profoundly affects the nature and completeness of the region's productive apparatus and its mode of development. Lacking the internal basis for expanded development, Latin American elites, very often via the state and state investment, turned outwards in the 1960s for loans to fuel capital accumulation and growth.

Developments within the international political economy crucially helped to shape this trajectory, however, confirming the point that class strategies have to be understood in dialectic relation to multiple spatial scales and not viewed merely within a national context. The creation of the Eurodollar market and breakdown of the Bretton Woods financial system had, as Chapter 3 demonstrated, led to the rise of transnational capital flows. The oil shocks of the 1970s not only generated vast excess liquidity in international markets, but also created a foreign exchange crisis for the oil-importing countries of Latin America, whilst oil-producing countries such as Venezuela, Ecuador and Mexico sought to borrow in order to expand their production capabilities.[3] These 'petrodollars' thus not only presented an opportunity for Latin American elites to offset the contradictions of ISI's weak domestic capital markets by borrowing abroad (whilst also providing resources for a degree of social redistribution to offset rising labour militancy), but at the same time provided a 'spatial fix' for over-accumulated capital in Western banks, as opportunities for investment there were limited due to the onset of stagflation (as discussed in the previous chapter). Capital after all "is defined as a process - as value 'in motion' undergoing a continuous expansion though the production of surplus value" (Harvey, 2006b: 83). Recycling 'petrodollars' into Latin America thus became a way to productively put this capital to work and stave off domestic inflation and devalorisation (Lipietz, 1984: 80). The accumulation of debt within Latin America thus needs to be firmly situated within the context of uneven and combined development and the very different socio-spatial relations contained within different geographical regions of the world, that were now brought into a new configuration.

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[3]The first oil price rise came in 1973, and was a response by the Organization of Arab Petroleum Exporting Countries (OAPEC) to the US support for Israel during the Yom Kippur War. The second shock in 1979 followed in the wake of the Iranian Revolution.

Debt helped to further the process of expanded capital accumulation through deficit spending based on 'fictitious capital', defined as, "a flow of money-capital not backed by any commodity transaction" and based upon "future labour as a counter-value" (Harvey, 2006b: 265-266). The assumption was that loans could be repaid though increased export earnings, the creation of profitable new markets and the further recycling of loans back to the centre to purchase capital goods, thus helping to stimulate western economies (Lipietz, 1984: 77). Latin America, in other words, has become a vital site for the reproduction and stabilisation of global capitalism This integration of spatial relations through over-accumulation is consistent with the inner logic of capital identified by Marx in 1863, when he wrote:

> Over-production, the credit system, etc...are the means by which capitalist production seeks to break through its own barriers and to produce over and above its own *limits*. Capitalist production, on the one hand, has this driving force; on the other hand, it only tolerates production commensurate with the profitable employment of existing capital. Hence crises arise, which simultaneously drive it onward and beyond its own limits (Marx, 1863/1972: 122, original emphasis).

Crisis then should be viewed as an essential moment in the dynamics of capitalist production, becoming a tool to restructure economies so as to extend and deepen the value form. This is vital to understanding the rise of neoliberalism in Latin America as it highlights that we cannot conceive of moments of capitalist production in isolation but rather always have to examine capitalism as an integrated whole (as the method of incorporated comparison stressed throughout has shown). Realising this allows us once again to empirically grasp the point made by Lefebvre (1991: 55) that class struggle is increasingly waged through the production of space. Let us explore then the specific class content of the debt crisis to demonstrate how this is the case.

4.5 The (neoliberal) road to serfdom

In the post-war period, capital flows to Latin America had predominantly taken the form of bilateral or multilateral lending, with some FDI also proving crucial. However, with the emergence of the Eurodollar market the nature of capital flows was altered and syndicated bank loans emerged as the dominant form of investment (UNCTAD, 2003: 33). By 1980, 80% of the region's debt was held by private banks (French-Davis, 1994: 235). Financial capital thus came to displace productive capital (Martínez, 1993: 67). This put the region in a precarious situation, as integration into the world economy through this means was an even more unstable link than the previous one through commodities (French-Davis, 1994: 185). One can witness the increasing vulnerability of the region to the influx of foreign capital if the debt ratios compared with the value of exports are examined. In 1950 foreign debt amounted to one third of the value of all exports. However, by 1960 the external debt was almost a third more than the region's total exports, and in 1973, prior to the first oil shock, it was almost twice as much. From this one can see that the structural conditions for the debt crisis were already firmly in place and that the oil shocks merely served to exacerbate the problem (Martínez, 1993: 65). In real terms, the average capital flow to Latin America increased four times from the period 1966-70 to 1974-81, so that by the beginning of the 1980s the region had accumulated the largest debt stock in the world (French-Davis, 1994: 226-227). The viability of debt-led growth in Latin America was conditional, though, upon the persistence of three factors: 1) the continuing availability of foreign capital, 2) the maintenance of low interest rates and 3) rising commodity prices to help service accrued debt. However, the election of Paul Volcker as Chairman of the Federal Reserve in 1979 precipitated a new monetarist policy in the United States in response to domestic fears of inflation. This cancelled out all of the above three premises. First, the unilateral raising of interest rates markedly increased the value of Latin American debt. Second, at the same time, the raising of interest rates caused a contraction in international liquidity, leading, third, to declining demands for primary products as recession became a feature of the central economies. Financial markets also became aware that Latin America could not repay its vast loans and thus foreign

capital began to dry up. All of these elements helped precipitate the debt crisis in Latin America that erupted in 1982. This provides empirical detail to Harvey's (2006b: 431) assertion that

> general crises arise out of the chaos and confusion of local, particular events. They build upwards on the basis of concrete individual labour processes and market exchanges into global crises in the qualities of abstract labour and in the value form... crises build, therefore through uneven geographical development.

The crisis of over-accumulation within Western economies was thus success-fully switched to Latin America, which was to also bear the major costs of the restructuring process. The debt crisis marked a watershed in Latin American state formation and developmentalism. Gramsci remarks with regard to the political significance of economic crises: "(they) create a terrain more favourable to the dissemination of certain modes of thought, and certain ways of posing and resolving questions involving the entire subsequent development of national life" (Gramsci, 1971: 184). This was certainly the case in Latin America, where the debt crisis would be used to redefine the trajectory of development, with an outward looking neo-liberal economic model emerging to replace the inward looking one of ISI. As Grindle (1996: 4) counsels, the debt crisis "opened up increased space for deliberative efforts to craft new relationships between state and economy and to redefine relationships of power and accountability with society." The role of international financial institutions (IFIs) such as the International Monetary Fund (IMF), World Bank (WB) and Inter-American Development Bank (IDB) were key levers of power in this regard. Although external forces had never ceased to influence Latin America's state formation and development, this tendency became ever more pronounced after the debt crisis. As countries in the region could no longer service their debts and sources of private lending had ceased, they had to look to IFIs as a means of obtaining much needed foreign exchange. However, these loans came with key conditionalities attached to them, including the reduction of public spending, exchange rate stability, import liberalization, privatization, deregulation and the opening of their economies to FDI (UNCTAD, 2006: 43-44). This was in line with the newly emerging 'Washington

Country	1970	1975	1980	1985	1990	1995	2000
Argentina	5,809,759	7,722,484	27,156,990	50,945,920	62,232,660	98,482,300	147.402.500
Bolivia	588,300	1,012,794	2,702,381	4,804,566	4,274,968	5,272,147	5,785.173
Brazil	5,734,466	27,331,380	71,526,930	103,611,700	119,964,200	160,515,300	243.668.500
Chile	2,977,238	5,518,637	12,081,260	20,383,880	19,225,820	22,038,220	37.288.690
Colombia	2,236,453	3,757,762	6,940,527	14,248,250	17,222,120	25,044,290	33.929.830
Ecuador	364,311	908,754	5,997,483	8,702,830	12,107,260	13,993,570	13.717.070
Mexico	6,968,569	18,230,540	57,377,670	96,867,300	104,442,000	165,378,600	150,313,500
Nicaragua	6,968,569	800,688	2,192,851	5,772,308	10,744,680	10,389,700	6,853,055
Peru	3,211,338	6,117,777	9,385,848	12,883,950	20,043,570	30,833,180	28,660,980
Uruguay	363,012	904,235	1,659,824	3,919,448	20,043,570	30,833,180	8,113,318
Venezuela	1,422,233	2,233,282	29,355,700	35,339,580	33,170,910	35,537,940	41,953.410

Table 4.1: Total External Debt (in thousands of US dollars) of various Latin American Countries 1970-2000 *(Source: World Bank: World Development Indicators)*

Consensus' (discussed in the previous chapter) which sought to reduce (or in reality alter) the role of governments in the economic affairs of developing countries and move them more generally to export-oriented models of growth (Williamson, 1990: 1). Duncan Green (1995: 64) captures the essential policy dilemma that Latin American countries faced with no private loans being forthcoming. They could "either declare a moratorium on the debt and become an international pariah, or generate a trade surplus and use the excess hard currency to pay the banks. They chose trade." Commenting upon the new discourse of development, Thomas Biersteker (1995: 180) writes that, despite the unevenness of the shift to neo-liberalism "the change in development ideas has been profound."

Table 4.1 highlights the huge impact and continuing problem of debt for Latin America. The levels of most countries' indebtedness continued to expand rapidly up to 1995 (and in some cases beyond this) due to both inflation on existing obligations and new debts accrued. Owing to this, Latin American governments' policies became directed towards "ensuring significant flows of external funding rather than encouraging domestic capital formation and productivity growth" (UNCTAD, 2003: 144). As we shall later see, this has had huge implications for the region's development path.

The massive debt burden also meant that countries were forced to create the conditions necessary to service this debt. Practically this entailed increasing

exports whilst trying to reduce domestic demand. This quickly led to a disastrous recession whilst the rapid opening of their economies to foreign competition helped destroy local research and development (UNCTAD, 2003: 140). This meant that Latin American industries' products would remain dependent upon a high import content, exacerbating the balance of payments crisis (UNCTAD, 2006: 48).

As a method for dealing with the debt crisis, economies were restructured (in line with World Bank recommendations) to become more 'investor friendly'. Tariffs on foreign trade for example dropped from 42% in 1985 to just 14% in 1995 (Robinson, 2008: 54).This led to FDI replacing portfolio investment and commercial bank loans as the most important form of investment as Figure 4.1 below demonstrates. This has important implications for control in the production process and is evidence of a new spatial division of labour (Massey, 1995).
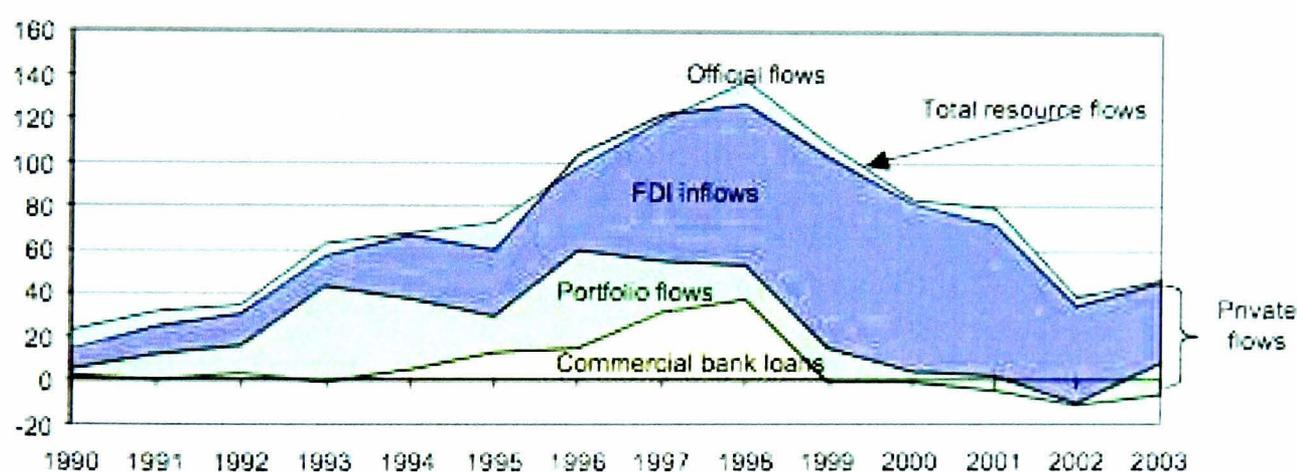
Figure 4.1: Total Resource Flows to Latin America and the Caribbean, by type of Flow, 1990-2003 (billions of dollars) *(Source: UNCTAD, 2004: 8)*

Tables 4.2 and 4.3 highlight the massive expansion of FDI that has taken place in Latin America since the 1990s. A significant proportion of this has been in mergers and acquisitions, and the takeover of state enterprises that were privatized (UNCTAD, 2000: xvii). By 2005, FDI stock accounted for 32.7% of Latin America's gross fixed capital formation, expanding at a much faster rate than that of North America or the European Union. The transformation of the role of the state in economic development has had important ramifications for the region. The neo-liberal accumulation regime established in Latin America, on

Region/economy	1970	1975	1980	1985	1990	1995	2000	2005
Latin America and the Caribbean	1599	3514	6483	6242	9748	29,610	97,803	75,541
Argentina	90	56	678	919	1836	5609	10,418	5008
Brazil	392	1203	1910	1418	989	4405	32,779	15,066
Chile	12	37	287	165	1315	3041	4860	6960
Columbia	43	37	157	1023	500	968	2395	10,255
Ecuador	89	95	70	62	126	452	720	1646
Peru	-14	81	27	1	41	2557	810	2579
Costa Rica	26	69	53	70	162	337	409	861
Mexico	312	458	2090	1984	2633	9526	17,789	19,736
Venezuela	-23	418	80	99	778	985	4701	2583

Table 4.2: FDI Inflows to Latin America 1970-2005 (millions of US dollars) *(Source: UNCTAD, 2007)*

Region/Economy	1980	1985	1990	1995	2000	2005
World	5.2	6.8	8.4	9.3	18.3	22.6
European Union	6.1	9.1	10.5	12.6	26	33.1
North America	4.5	5.5	8	8.3	13.9	14.2
Latin America and the Caribbean	4.6	8.2	9.3	10	23.9	32.7

Table 4.3: Inward FDI Stock as a percentage of Gross Domestic Product, by Host and Regional Economy 1980-2005 *(Source: UNCTAD, 2007)*

average, now only commits around 20% of national income to capital formation, "well below the level thought to be necessary to allow the region to catch up rates of economic growth" (UNCTAD, 2003: 65). Whereas under ISI, state banks were the key providers of credit (in keeping with the national spatial strategy of development), now, FDI is "to an increasing extent intended to serve global and regional markets often in the context of international production networks" (UNCTAD, 2006: 10). Thus, Latin America has further become integrated into what Gary Gereffi (1995) refers to as 'global commodity chain' production. Not only have exports increased, they have also become more diversified (Robinson, 2008: 56).

We need to be cautious, however, about viewing changes in Latin American developmentalism solely as an external imposition. As Alejandro Colás (2005: 70) powerfully argues, neoliberal globalization is a process "heavily mediated, when it is not actually authored by states." Whilst external factors were important influences in setting the terms of the debate and transmitting these new discourses of development, the furtherance of neo-liberalism in the region would not have been possible without the support of local elites, as well as the crisis of the existing model and the seeming lack of alternatives (Green, 1995: 23; Morton, 2003). Michael Burawoy (1998: 20-21) has highlighted that blaming shifts in development trajectories solely on exogenous forces is often used as a strategy to mask the establishment of new domestic classes. Class struggles around the state form have thus proved to be essential, as its regulatory capacity has been used to craft these new relationships with external capital. An example of this would be the manner in which states seek to 'valorise' their cheap sources of labour to attract FDI (Lipietz, 1984: 74). It should be also noted how particular elite fractions in Latin America saw their positions augmented and enhanced by the transition to neoliberalism and the restructuring of the region's economies (Dietz, 1989: 13-15). All in all, the transition to neo-liberalism has seen the consolidation, rather than the destruction, of a capitalist class within Latin America highlighting a new phase of *trasformismo*. Although ISI therefore can be viewed as a failure both in terms of a viable regime of accumulation and as a project to incorporate the subaltern classes, when viewed from a class-theoretical perspective it has been enormously successful in fostering the consolidation and dominance of the bourgeoisie. Therefore as David Ruccio (1991: 1329) explains, "What are often

seen as development failures may, in fact, be part of a more general process of the successful emergence and strengthening of capitalist class processes in Latin America and the rest of the world".

It is also important to not view the debt crisis simply as a crisis of Latin American capitalism but rather as a potential crisis of capitalism seen as a totality. Following the Mexican default, thirteen American banks were owed $16.5 billion. Had other countries followed suit in defaulting, the financial system of world capitalism could well have collapsed as it did in 1930 precipitating a global depression (Green, 1995: 61). As Duménil and Lévy (2004: 87) note, by 1983 23 other countries had to reschedule debt repayments and the four most indebted nations in the world (Mexico, Brazil, Venezuela, and Argentina) owed 74% of debt held by developing countries. However, rather than becoming a crisis *of* capitalism and threatening the social relations upon which the system is based, the debt crisis simply became a crisis within capitalism, thus acting as a necessary precondition to drive the system forward and begin a new round of accumulation (Lebowitz, 2003: 165). This, however, involved a process of highly spatialised class struggle (or geopolitical conflict). As Harvey (2003: 151, emphasis added) counsels with regard to this, "regional crisis and highly localized *place-based devaluations* emerge as a primary means by which capitalism perpetually creates its other to feed on." As mentioned above, this was achieved through a massive privatization of Latin American public resources and SOEs, as well as large scale reductions in social welfare provisions. This is a classic example of what Harvey labels as 'accumulation by dispossession' as resources went from being state owned and geared towards national development to exclusive private property rights devoted solely to surplus value extraction (Harvey, 2003: 145). Surveying the change in development discourse, Biersteker (1995: 178) highlights how development has come to be redefined solely in terms of growth of productive capacities whilst "concerns about the provisions of basic needs were shunted to the side." Latin America's transition to neo-liberalism thus seems to support the view expressed by Duménil and Lévy (2004) that it is a class project designed to reconstitute the wealth of the upper fractions of capital at the expense of the subaltern classes (see also Harvey, 2005). Evidence for this can be highlighted by the fact that average urban incomes in all Latin American countries (with the exception of Chile) have stagnated or declined since the onset of neoliberal

Region	1960-65	1965-70	1970-75	1975-80	1980-85	1985-90	1990-95	1995-2000	2000-2005
Latin America	4.6	5.8	6.6	5.1	0.5	1.8	3.6	2.8	1.5
East Asia	5.0	7.5	6.8	7.6	7.1	8.2	8.8	4.9	6.2

Table 4.4: GDP Growth in Latin America and East Asia 1960-2005 (annual average percentage change) *(Source: UNCTAD, 2006)*

Region	1960-65	1965-70	1970-75	1975-80	1980-85	1985-90	1990-95	1995-2000	2000-2005
Latin America	1.7	3.1	4.0	2.7	-1.6	-0.2	1.9	1.2	0.1
East Asia	3.0	4.7	4.4	5.9	5.4	6.4	7.5	3.8	5.3

Table 4.5: Per Capita Growth Rates in Latin America and East Asia 1960-2005 (annual average percentage change) *(Source: UNCTAD, 2006)*

reforms. This has been especially pronounced in Uruguay and Venezuela where income has declined by 30% and 50% respectively. The dominant classes meanwhile have increased their income faster than average (Portes and Hoffman, 2003: 63-65). Business has also come to be highly privileged over labour (Phillips, 1999: 85; Veltmeyer, 1997: 210). Jean Grugel (1998: 226) elucidates further on this matter, highlighting how businesses have become privileged due to "their organization capacity, their familial and social contacts with government elites, their external linkages, and their growing importance in terms of production and export performance." Evaluating the success or failures of neoliberalism is therefore essentially a class-loaded question.

The shift to neo-liberalism has meant that as a region Latin America has undergone a dramatic deterioration in terms of its position within the world economy. This can be starkly observed if one looks at the difference in GDP growth and GDP growth per capita between Latin America and the NICs of East Asia expressed in Tables 4.4 and 4.5.

Further social costs of the neo-liberal economic model in Latin America can also be witnessed from the huge increase in poverty. During the 1980s, the amount of people living in poverty increased by 60 million. Concomitantly there has been a massive growth in unemployment and under employment, with new jobs only being created in the informal sector (Veltmeyer, 1997: 220-223). The region's integration into the new social geography of neo-liberalism has made its dependency on external finance and technology more acute than ever. This has meant that it

has become increasingly hard to generate a divergent trade profile. FDI remains concentrated in either low wage, low skilled industries serving as a cheap export platform for TNCs commodity production or in the extraction and exploitation of primary commodities with little labour employed. Neither of these create strong backwards linkages with the host societies (Gereffi, 1995: 134; UNCTAD. 2006: 111). Surveying the period from the early 1980's to 1995, Duncan Green (1995: 111) comments that "Although the rich have had a vintage decade, most of the region's people are poorer and more insecure; their homes, communities, schools and hospitals are collapsing around them, while their cities towns and villages are increasingly polluted."

The neoliberalization of Latin America space has also involved a return to the Ricardian economic theories of 'comparative advantage'[4], the very theories which proved so disastrous for the region in the past, and which Chapter 2 highlighted were erroneous for thinking about development in the modern world. With this transition the very term 'development' has also come to be redefined. Rather than being concerned with the transformation of the productive structure as it was in the past, 'development' is instead now focused on issues such as poverty reduction, the provision of minimal needs and individual advancement (see Chang, 2010 for a discussion of this point). Development on this basis can only be a palliative and not a cure for the alienation inherent in capitalist social relations (in other words it recognises the permanence of structural inequality). Duménil and Lévy (2004: 82, emphasis added) are therefore surely correct when they conclude: "That it was necessary to manage the (debt) crisis was an undeniable fact. *That the neoliberal strategy was particularly harmful is another one.*"

4.6 Resistance - a tale of two lefts?

The above factors have meant that the viability of neoliberalism in Latin America as a new incorporation strategy was always inherently fragile, and there has been a growing tension with the social polarisation that the accumulation strategy has

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[4]This theory entails that countries focus economic activity in which they have a competitive edge over others. This is supposed to be a mutually advantageous arrangement for all countries as goods are produced more efficiently and therefore at a lower price. However, this ignores completely the class loaded nature of the term efficiency and ignores that historical manner in which this has been produced.

caused as well as a distrust of traditional political parties and elites (Luna and Filgueira, 2009: 371). Its long term viability is therefore reliant upon generating a wide base of political support beyond the privileged few that have benefited from privatisations, deregulation and the move to export-oriented growth (Cameron, 2009: 338). In fact the opposite has occurred. Latin America has been at the epicentre of resistance to neoliberalism, prompting William Robinson (2008: 237) to proclaim that the neoliberal model is now moribund in the region.

This obviously necessitates new thinking about how this resistance is best theorised and articulated. It is submitted here that to postulate resistance simply in terms of a self-aware transnational working class - as does Robinson (2003, 2004a, 2008) - is highly problematic, not least because the transition to neoliberalism has actually seen a decline in the formal proletariat. This means that "the numerically most important segment of the employed population in Latin America is that excluded from modern capitalist relations and which must survive through unregulated work and direct subsistence activities" (Portes and Hoffman, 2003: 53). This evidence would seem to directly contradict the thesis put forward by Robinson (2004a: 7) that "capitalist productive relations are replacing what remains of pre-capitalist relations around the globe." The rise of the informal sector therefore has important implications for how we view class struggle and resistance to neo liberalism. This is because "the interests around which informal workers coalesce have to do less with control over the means of production than with minimal access to the means of collective reproduction, such as transport, water and basic services" (Portes, 1985: 31). It was, in fact, the rise in bus fares that was to provoke the *caracazo* riots in Venezuela in 1989, which spelt the beginning of the end of the *Punto Fijo* regime there and the rise of Hugo Chávez. Similarly, struggles over access to land have been a prime factor motivating an array of social movements such as the *Ejército Zapatista de Liberación Nacional* (EZLN, Zapatista Army of National Liberation) in Mexico (to be analysed in Chapter 7), the *Movimiento Sem Terra* (MST, Landless Workers Movement) in Brazil, and the *Confederación de Nacionalidades Indígenas del Ecuador* (CONAIE, Confederation of Indigenous Nationalities) of Ecuador. Other recent examples of these everyday life struggles include protests in Bolivia in places such as Cochabamba and El Alto against the privatisation of water and gas, and the social tensions that have arisen from the implementation of the Transantiago public transportation

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system in the Chilean capital, to mention just a few. What these examples make clear is that the notion of class struggle must be extended beyond the workplace to include notions of everyday life. This (as was theorised in Chapters 2 and 3) means that class struggles essentially revolve around the production of space and the social relations that spaces contain.

As Lefebvre (1976: 85) summarises in relation to this point: "If space as a whole has become the place where the reproduction of the relations of production is located, it has also become the terrain for a vast confrontation which creates its centre now here, now there, and therefore which cannot be localised or diffused." We can thus observe a key dialectic relation in class struggles inscribed in space. Neoliberal globalization seeks to de-territorialise space before re-territorialising it in order to forge new global spatial divisions of labour for the increasing accumulation of capital. However, at the same time, subaltern movements are also seeking to re-territorialise space, making control over it a key aspect of social struggle. Spatial production is then attempted to be reoriented towards social needs. Rather than a simple normative statement of how theoretically class struggles have to be transnationalized in order to challenge neoliberalism, the difficult task of integrating these place-based movements of resistance with national and transnational spatial scales must be therefore be undertaken. This will be discussed in detail in Chapters 6 and 7.

A key question will be how an alternative political project that seeks to overcome alienation and that aims at genuine inclusivity can be formed. Here the issue of state power looms large. Jorge Casteñeda (1994) acknowledges that the very things that give rise to the left such as poverty, discrimination, inequality etc have not disappeared and thus left-oriented governments are likely to remain a feature of the Latin American political landscape. However, he also argues that it is clear that that the left has historically failed to change any of these issues in a meaningful way, especially through armed revolution. He therefore advocates an approach to political transformation that seeks to combine free market economic principles with social redistribution as the best means for taking the continent forward. Surveying recent political developments Casteñeda (2006) has sought to identify both a 'right' left and a 'wrong' left. The so-called 'right' left is defined by a market-oriented 'third way' approach and is associated with countries such as Brazil, Uruguay and Chile (under the *Concertación*). The 'wrong'

left by contrast is characterized as 'nationalist, populist, and stirident' and is said to represent a threat to the region's future. This version of the left is associated with the model of change in Venezuela, Bolivia and the whole legacy of the Cuban Revolution. The problem with such an analysis however, is precisely the fact that it ignores the different conditions in which these movements emerge and grow. First, classifying as a 'right' left those that accept market-oriented policies is precisely to ignore the lessons of why neoliberalism failed as a project of incorporation (Cameron, 2009: 336-37; Luna and Filgueira, 2009). Second, this analysis (shared but inverted by Robinson (2008: 293-94) actually closes the world, and fails to imagine that other institutional arrangements and political practices could exist beyond the nation-state. Chapter 2 highlighted the historical constitution of the nation-state and its intimate relation to class rule, yet in this analysis it becomes reified and defines both the goal, and the limit of political action (Luna and Filgueira, 2009: 275; Motta, 2006). It also ignores a hugely important feature of contemporary Latin American resistance. Rather than just 'two lefts' in Latin America, we must in fact postulate a 'third left' in the form of the anti-statist social movements who seek to affect change though the very processes of *autogestion* theorised in Chapter 2. It is these movements of resistance that have sought a fundamental remaking of space.

4.7   Conclusion

This chapter has contributed further to our understanding of the spaces of capital by offering a detailed historical sociology of spatial production and state formation in Latin America. It has explored the manner in which Latin America became inserted into the global economy noting the important developments in class relationships that followed. The rise of ISI was then connected to the dialectic movements between domestic class formation and the global economy. The contradictions of ISI were then explored in relation to both the inward-looking spatial practices that this was built on as a regime of capital accumulation, and the manner in which it became produced as a site for a spatial fix for over-accumulated capital in western countries. ISI, it was concluded, neither served as a long term viable accumulation strategy nor hegemonic project. Thus. while it may well have proved to be successful in other instances such as forging capitalist

class hegemony, it failed as a model of incorporation of the subaltern classes.

Likewise, neoliberalism has proved incapable of offering any solution to this incorporation crisis. Instead, the region became the central battleground for a new politics of anti-capitalism as class struggles proliferated over attempted dispossessions that this model of development is based upon. In many countries this has led to the rise of left-oriented governments (although with significant differences between them in terms of their commitment to the market, social redistribution etc.). However, it has also seen the rise of social movements who have questioned the efficacy of taking state power as a means of effecting real change, and have instead sought to construct alternative geographical projects of their own. To understand these movements it is necessary once again to combine the theoretical with the lived. This will now be done through an examination of the specific case of Mexican development in the twentieth century through the concept of passive revolution alluded to above (see also Morton, 2011). This will sharpen our level of analysis and clear the way to understanding spaces of resistance in greater detail.

Chapter 5

From 'Passive' Revolution to 'Silent' Revolution: The politics of state, space and class formation in modern Mexico

> As the national becomes a more complex site for the global, the specific and deep histories of a country become more, rather than less significant
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> Sassen, 2006: 229-30

This chapter now seeks to move from the meso to the concrete level, using a case study of Mexico to demonstrate in a more empirically detailed fashion the generalizations made hitherto. Themes from the previous chapters such as passive revolution, the construction of hegemonic projects alongside accumulation strategies, and the dialectic relationship between the national and global are examined to highlight the role of state and class formation as a process of social struggle that produced the space of modern Mexico. This chapter therefore helps us to understand how spatial configurations have been historically produced through the unfolding of capitalist social relations of production, offering an insight into the contradictory character of this accumulation process whilst emphasising the

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role of the subaltern within this overall development trajectory (highlighting the dialectic of the spaces of capital and the spaces of resistance). In order to make this argument, evolving processes of state formation and particular state 'spatialization strategies' linked to this are examined in detail. This chapter will also help us to situate and understand current resistance movements to the deepening of the capital relation, which have implications not only for Mexico but also worldwide, as this case study is but a national manifestation of the global contradictions of capitalist accumulation.

Drawing on Gramsci's key concepts of passive revolution and hegemony, this chapter seeks to provide an insight into how specific spatial configurations have been historically produced in Mexico within the conditions of worldwide capitalist development. It aims to offer an explanation into the contradictory character of this accumulation process, highlighting the class strategies involved, whilst giving due attention to the process of contestation and the potential for change. One should rightly be wary of using political theory indiscriminately across disparate cases. However as Gramsci (1971: 108-9) argues, "since similar situations almost always arise in every historical development, one should see if it is not possible to draw from this some general principle of political science." In contrast to the position of Alex Callinicos (2010) it will be argued that the concept of passive revolution - understood as the reorganization and restoration of class power - has particular utility as a *recurring* theme of Mexican history in the 20th century. The reason for this lies within the very unresolved class contradictions inscribed in capitalist development which result in periodic crises and restructuring of the social basis of the state. Passive revolution, although an important class stratagem for the maintenance of control, thus remains ultimately a strategy that does not overcome the fundamental contradictions within capitalist society. As Gramsci (1971: 114) puts it, "the concept remains a dialectical one - in other words, presupposes, indeed postulates as necessary, a vigorous anti-thesis which can present intransigently all its potentialities for development." The scope for the reappearance of passive revolution thus is implicit within the very conceptual framework. This is essential to understanding how current resistance movements have organized and also contributes to the debate on how we need to problematise and understand the role of the state in processes of transformation.

The argument will be set out as follows. First, Mexico will be historically

situated within the world economy in order to understand the antecedents of the Revolution. Second, an understanding of the Mexican Revolution as an instance of passive revolution will be explicated and the importance of the bourgeois state-form made clear. Third, Mexico's development trajectory will be outlined with reference to the particular scales and spaces which this was founded upon, before fourth, these contradictions are elaborated. Fifth, the rise of neoliberalism as a political and economic response to these contradictions will be explained as a second instance of passive revolution which came with its own spatial project. Finally, the unresolved antagonisms of this transition will briefly be discussed. This will provide the framework which we can then use to move our analytical lens to the regional level to consider the cases of Oaxaca and Chiapas in Chapters 6 and 7.

5.1 Situating Mexico within the world economy

How should one approach the problematic of state, space and scalar development? Morton (2007c: 599) has argued that Gramscian theory offers us a "history of state formation and thus social development within the 'national' that are linked internally to the casual conditioning and wider geopolitical dynamics of 'the international'." Womack (1978: 97) takes this argument further, claiming that explanations for Mexico's development trajectory need to be located within the world economy rather than in Mexico itself. However, one needs to be wary of reifying and dehistoricising the world system itself (Cox, 1981). A more fruitful approach is found in that of McMichael's (1990: 391) method of 'incorporated comparison' (set out in Chapter 1) within which 'totality' is viewed as "a conceptual *procedure* rather than an empirical premise. It is an imminent rather than *prima facie* property in which the whole is discovered through an analysis of the mutually conditioning parts" (see also Morton, 2010).

Mexico, like the rest of Latin America, had its identity indelibly stamped by the experience of colonialism (see previous chapter). Spatial production was thus from the outset heavily conditioned by international forces. As Nora Hamilton (1982: 18) states:

between the sixteenth and nineteenth century, through the world mar-

ket, as well as through more direct means of colonisation and conquest, the core states succeeded in imposing on the rest of the world a division of labour in which the latter functioned to provide certain types of commodities, as well as markets needed by the core.

The *social function* of the space of Mexico is thus an important point and one that needs to be borne in mind when we consider the changing dynamics of capital accumulation. Spatial production was inextricably linked to questions of class, refracted through racial categories. The indigenous population were dispossed of their lands, and social life was re-oriented to meet the interests of the colonisers (see Bonfil Batalla, 1996).

As Mexico became unevenly inserted into the world economy, the model of 'development' adopted was based on the intense exploitation of cheap labour and the extraction of natural resources. The growth of European capitalism hugely shaped the landscape of Mexico with the construction of railroads being necessary to facilitate the exportation of mineral wealth, the growth of urban centres necessitated by the enclave economy, and the expansion of the export-oriented hacienda at the expense of the communal Indian village (Glade, 1963: 14; Hansen, 1971: 17; Cockcroft, 1983: 30-31).[1] Nascent capitalist relations began to be developed through European colonial expansion, and Mexico evolved to become a focal point for inter-imperialist rivalries during the latter part of the nineteenth and early twentieth century (for a general description of this process see Lenin, 1917/1987). International forces were thus instrumental in informing the *national* conditions of class struggle. As Cockcroft (1983: 44) puts it, the colonial period "dialectically established in Mexico an embryonic dependent capitalism and the impoverishment and blocked opportunities that were to generate the repeated uprisings that ultimately broke out." Adolfo Gilly (1983: 30-36) contends that it was the construction of railroad infrastructure under Porfirio Díaz (1876-1880, 1884-1911) that facilitated the expansion of capitalist social relations of production, helping reshape space and the organisation of work. This, he argues, led to the 'proletarianisation' of the country and exposed the contradictions of the old political order by provoking new challenges that were to coalesce with the

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[1]This is of course again a simplified picture which necessarily elides specific regional variations, where divergent trends can be observed (see for example Chassen-López, 2004). Such disparities will be considered in Chapters 6 and 7.

Year	Length of Railroad track (km)
1880	1086
1881	1661
1882	3583
1883	5308
1890	9558
1910	19,205

Table 5.1: Growth of Railroads in Mexico - 1880-1910 *(Source: Gilly, 1983: 29)*

revolutionary upheavals beginning in 1910.

The growth of railways (see Table 5.1 above), as well as facilitating the extraction of natural resources, also allowed for the beginnings of a domestic market, with commodities beginning to circulate more freely as well as increasing the centralised power of the state (Hamilton, 1982: 43-44; Katz, 1986: 37). Mexico's transition to modernity therefore took place through the dialectic of national and international development. However, whilst there is undoubtedly some truth in the claim that productive forces were coming into contradiction with old forms of property relations, we should proceed with caution in claiming that pre-revolutionary Mexico was in fact a fully capitalist country. Although proletarianisation of the country had no doubt increased during this period (with the amount of industrial workers estimated at 803, 294 by 1900), it had done so in a highly uneven manner, with the north of the country overwhelmingly predominant (Katz, 1986: 59). Glade (1963: 53, emphasis added) thus concludes that:

> Despite incipient industrialisation and the spectacular achievements of various mineral enclaves, pre-revolutionary Mexico was basically an agrarian nation, not only in terms of the overwhelming preponderance of the population in agriculture and the share of the national product originating in the agricultural sector, *but also in the tone of national life.*

In keeping with the pattern in Latin America sketched out in the Chapter 4, the agro-export oligarchy dominated both economic and political power, which was reinforced through patterns of global investment. Under Díaz, foreign influence had increased dramatically, providing resources that endogenous economic

activity could not. The growth of US capital was especially marked. with investment in Mexico greater than in any other area of the world. By 1911 this investment was exceeding that of the domestic bourgeoisie and was more than twice as much as other foreign investors (Cockcroft, 1998: 85). Furthermore. foreign capital was diversified, dominating not only mineral resources but also electrical and communications systems, furthering the growth of wage labour. By the end of the *Porfiriato*, over half the country's wealth was foreign owned (Glade, 1963: 52).

Despite these developments, we should not conceive of pre-revolutionary Mexico as being a country grounded in an advanced state of capitalist development. As Alan Knight (1985: 2) argues, the fallacy of this position is to confuse relations of *exchange* with relations of *production*. Thus, whilst Mexico was indeed producing goods for the world market and had high levels of foreign investment during this time, the relations of production that persisted were often pre-capitalist ones in which extra-economic coercion inhered. However, this is where we need to pay attention to conditions pertaining within the 'international'. Whilst it is true that pre-capitalist relations were probably more dominant than wage labour under Díaz, "they were more subordinately articulated within the dynamic thrust of capitalist relations" (Gilly, 1983: 339). The form of capitalism that would come to be instituted in Mexico would thus come to represent not only the way in which international social forces had exerted their influence over the territory, but also in the way class forces tied to these processes enabled or reacted upon this field of force within the national setting whether that be in the form of *comprador classes*, epitomised by the *Científicos* who were to gain their political power through their role as intermediaries for foreign capital or resistance movements to this process. Cockcroft (1983: 57) neatly summarises this point, highlighting how the nature of capitalism in Mexico was:

> varied and complex, reflecting the socio-economic materials out of
> which it has grown - from Indian communal traditions to those of
> the Spanish mobility; from conquest to pillage, and 'original accu-
> mulation' to the separation of labourers and artisans from the means
> of production for an external market and a growing home market,
> to labour recruitment through starvation and the 'tying' of labour
> through debt obligations.

Rather than the even spread of capitalist social relations then, it is more apt to draw from the approach of Eric Wolf (1997: 79) who shows how symbioses were frequently formed within a world historical context between an expansive capitalist mode of production hungry for resources, and pre-capitalist means of mobilising social labour. This is of course the process theorised by Trotsky (1919/1962: 175, 1930/1962: 24-5) in his notion of uneven and combined development, and the contradictions that emerge from establishing advanced economic activity within a backwards social formation (as discussed in Chapter 2). It was exactly these conditions that pertained in Mexico under the *Porfiriato*. On the eve of the revolutionary outbreak, this model of accumulation had led to the social fabric of the country unravelling. While the wealthy minority were still importing luxury goods and engaging in conspicuous consumption, there was a massive decline in real wages from 1898-1911, and by the time of the Revolution in 1910, never had so many Mexicans been landless (Hansen, 1971: 22, 27). The vast majority of cultivable land was dominated by just 835 families (INEGI, 1994: 364). As the country was only minimally industrialised, economic opportunities were not being generated which could serve to pacify the increasing demands of the population. It was in this atmosphere that revolutionary activity was to break out. Although beginning as an attempt to reform the country from above, the Mexican Revolution quickly spread to the subaltern classes who gave it new direction and momentum. The mobilisation of the masses altered the terrain of struggle, transforming the original demands for reform into a wider struggle against dictatorship (Leal, 1986: 22). This, however, provides us with the beginnings of our central inquiry. As Nora Hamilton (1982: 3) succinctly puts it, "the problem of the Mexican state derives from the apparent contradiction between its historical origins in the Mexican Revolution and its contemporary function of maintaining peripheral capitalist development."

5.2 The Mexican Revolution as passive revolution

When analysing the Mexican Revolution it is imperative to view it as a process (or indeed set of processes) "rather than a discrete event" (Knight, 1985: 3).

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When defining the Revolution's character, as well as stating what it *was*, it is just as important to examine what it was *not*. Moreover, it must be remembered that during the revolutionary upheavals there was not one struggle, but rather a number of diverse and at times overlapping struggles taking place: landed versus commercial power, subaltern versus bourgeoisie, nationalist against imperialist, constitutionalist versus federalist etc. As Guilllermo Bonfil Batalla (1996: 111) puts it, "A single fuse blew up very different powder kegs." The Revolution's outcome was in many respects an uneven synthesis of these. If one thing is clear, it is that the Revolution did indeed precipitate the destruction of the old oligarchic state. However, it is vital to then analyse what forms of exploitation remained, where political power was concentrated, and where the impetus for the nation's development strategy came from. In order to do this, a theory of the capitalist state, grounded in civil society relations (in both its national and international circumstances) needs to be adumbrated, with reference to Gramsci's concept of 'passive revolution'.

When any social order is challenged, forces of change and conservatism are naturally pitted against one another. "The problem", argues Gramsci (1971: 219) "is to see in this dialectic 'revolution/restoration' whether it is revolution or restoration that predominates". It will now be argued that the Mexican Revolution is a classic example of what Gramsci referred to as a 'passive revolution' (see also Morton, 2010). A passive revolution, or a "'revolution' without a 'revolution'" (Gramsci, 1971: 59), occurs when social relations are fundamentally reorganised (revolution) but ultimately, popular initiatives are neutralised so as to continue class domination (restoration) (Jessop, 1990: 213).

The revolutionary struggles in Mexico undoubtedly caused a crisis of authority, destroying the social base of the Porfirian state, and leaving a power vacuum which the various contending factions sought to fill. However, as Gramsci (1971: 210-11) notes with regards to periods of upheaval:

> the various strata of the population are not all capable of orienting themselves equally swiftly or of reorganising with the same rhythm. The traditional ruling class, which has numerous trained cadres, changes men and programmes and, with greater speed than is achieved by the subordinate classes, reabsorbs the control that was slipping from its grasp. Perhaps it may make sacrifices, and expose itself to an uncer-

tain future by demagogic promises, but it retains power, reinforces it for the time being, and uses it to crush its adversary and disperse his leading cadres.

The assassination of Emiliano Zapata in 1919, the refocusing of an accumulation strategy based on industrialisation, and the commercialisation of agriculture, and the concomitant incorporation of a limited amount of worker and peasant demands into the constitution of 1917, coupled most importantly with large scale agrarian reform, give concrete historical witness to these claims. Thus, the Revolution can be partly interpreted as the failure of the subaltern classes to develop their own hegemony, expressed as a national-popular collective will. While the oligarchic classes had lost their political power, the "mass of peasant farmers, undoubtedly the driving force of the Revolution showed itself, time and again to be incapable of forming a government" (Leal, 1986: 23). The nearest they came to doing so was through the Ayala Plan of the Zapatistas, which contained specifically anti-capitalist values, calling for the immediate expropriation of land and the nationalisation of all property of enemies of the Revolution, whilst also defending villages and an agrarian orientation (Bonfil Batalla, 1996: 64). However, this plan also had its limitations, intending to set up dual power alongside a bourgeois state, rather than actually displacing it. Commenting upon this, Gilly (1983: 79) reflects that "the peasants could not rise to a nation-wide perspective nor offer a revolutionary solution for the insurgent nation." This was due to the fact that fundamental existing structures of authority were not challenged. The eventual co-optation of the workers and peasants into the state's corporatist structures, would therefore be made easier due to the fact that they "lacked an ideology of their own and took up the ideological stand of the Mexican Revolution, which is after all bourgeois" (Leal, 1986: 32). The labelling of the Revolution as a 'passive revolution', it should be made clear, does not imply that subaltern classes were not engaged in struggle (to deny such a fact would be absurd). Rather the key aspect in defining the Revolution as a passive revolution was the acceptance of the state as being 'above the classes', and thus as a neutral arbiter of conflict, capable of implementing the Revolution's goals. As Bob Jessop (1990: 213) writes in relation to this, "the crucial element in passive revolution is the *statisation* of reorganisation or restructuring, so that popular initiatives from below are contained or destroyed and the relationship of ruler-ruled is maintained

or reimposed" (cf. Gramsci, 1971: 105-6).

However, the bourgeois character of the Revolution, so frequently asserted, requires some reflecting upon as there remains a great deal of debate as to who were its leading agents. James Cockcroft (1998: 111) for example contends that it was led by segments of the industrial bourgeoisie. However, this is disputed by other scholars who claim conversely that no such class as a nationally-oriented bourgeoisie was in existence (Hamilton, 1982: 22; Hansen, 1971: 97; Knight, 1985: 5; Morton, 2010). It is useful here to turn to Trotsky (1930/1962: 60) who asserts that a revolution's character can be defined by the historical tasks which it sets itself. In the Mexican case, this included the break-up of haciendas, the widening formation of private property and industry, and the fundamental transformation of social relations from extra-economic coercion to wage labour. The Mexican Revolution can thus be identified as bourgeois:

> Not because it was the conscious work of the bourgeoisie (still less the national bourgeoisie), nor because it instantly transmuted the base metal of feudalism into the pure gold of capitalism...but rather because it gave a decisive impulse to the development of Mexican capitalism and of the Mexican bourgeoisie, an impulse that the preceding regime has been unable to give (Knight, 1985: 26).

However, as Trotsky (1930/1962: 197) reminds us, "the general sociological term *bourgeois revolution* by no means solves the politico-tactical problems, contradictions and difficulties which the mechanics of a *given* bourgeois throw up." In order to resolve these problems we need to turn to Gramsci's other key notion of 'hegemony' and the associated concept of 'historical bloc'. After all, as Stephen Gill (2008: 58) has argued, the concepts of passive revolution and hegemony should be thought of as "end-points in a continuum of actual historical (and indeed possible) transformations". Turning now towards hegemony will therefore highlight further the role of the state in the process of class struggle. and the production of the spaces of capital.

As was alluded to in the previous chapters, hegemony is not reducible to domination and is defined as the "intellectual and moral leadership" which a certain class is able to exercise due to their "position and function in the world of production" (Gramsci, 1971: 124). However, when looking at the type of

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hegemony that was constructed in Mexico, we need to remain mindful that the state is "not suspended in mid air" (Marx, 1996/1852: 855). That is to say, it is responsive within certain form-determined limits to demands placed upon it by subaltern classes, as it still remains grounded in civil society relations as a site of ongoing conflict. Thus, as Gilly (1983: 40) argues, despite their failure to develop an alternative national popular programme, it was the struggle of the peasantry that "shifted the whole logic of capitalist development. It could not block it completely or substitute a different process, but it interrupted and altered its course and changed the relationship of force between its political representatives."

The Revolution therefore needs to be interpreted as a rejection of the economic and political logic of Porfirian Mexico, and the corresponding narrow social relations it was built upon, for a new type of accumulation strategy that would create the conditions necessary for wider participation and redress of grievances. As Jessop (1990: 198) explains, "an accumulation strategy defines a specific economic 'growth model' complete with its various extra-economic pre-conditions and also outlines a general strategy appropriate to its realisation." This approach allows us to explain the development of capitalism in Mexico not as a process forced onto the masses, but rather as the construction of an overarching hegemonic project, the context of which the subaltern classes helped shape. Hegemonic projects involve "the mobilisation of support behind a concrete, national-popular program of action which assert a general interest in the pursuit of objectives that explicitly or implicitly advance the long term interest of the hegemonic class" (Jessop, 1990: 208). Hegemony should therefore not be thought of as synonymous with 'false consciousness' but rather as the outcome of the balance of class forces. As Gramsci (1971: 52) explains, subaltern groups can have "active or passive affiliation to the dominant political formations" and that furthermore they can attempt to "influence the programmes of these formations in order to press claims of their own." Article 27 of the 1917 Constitution, which enshrined the responsibility of the state to provide land for those without it, and Article 123 that established one of the most progressive labour laws in the world at the time, are examples of the successful shaping of the new hegemonic project by the subaltern classes.[2] However, as will now be explained, the acceptance of the bourgeois state form

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[2]This law legislated for a maximum eight hour day, the right to form unions, the right to strike and the protection of foreign workers.

as an 'autonomous' entity, standing above the class struggle, that was capable of resolving disputes and serving the goals of the Revolution, meant that there were form-determined limits to how far subaltern classes could pursue their demands. Capitalist hegemony thus needs to be postulated as an elastic concept, capable of being stretched in response to particular forces, but unless pushed beyond these limits and snapped completely, always capable of contraction. This conforms to the point made by Gramsci (1971: 55) that, "subaltern groups are always subject to the activity of ruling groups, even when they rebel and rise up: only 'permanent' victory breaks their subordination." For this reason the Revolution is best thought of not as an emancipation but "rather a new order of capitalist control" (Womack, 1978: 102).

5.3 Mexico and the bourgeois state

To examine why this is the case, a theory of the bourgeois state must be rendered. This allows us to understand and historicise the key role of the state in the Mexican development process, while avoiding 'statolatory' (Gramsci, 1971: 268). The starting point for this investigation entails examining how surplus value in a society is to be appropriated and how this relates to the political form (Hirsch, 1978: 58). The state is required by capitalism by virtue of the fact that there remain vital extra-economic preconditions that need to be realised in order for production and reproduction to proceed. These preconditions must be secured by an apparently autonomous entity standing outside of the market (Holloway and Picciotto, 1977: 79). As we have already seen, the Mexican Revolution helped sweep away the remnants of the pre-capitalist state built upon extra-economic coercion, and yet it did not do away with all class antagonisms, as was clear from the constitution of 1917 which enshrined that the system of private property would remain vital to the overarching economic framework. The continued preponderance of foreign capital also remained a vital lever of power, limiting the state's room for manoeuvre and again highlighting how the struggle for hegemony has to be related to both national and international social forces and the country's

wider geopolitical position (Cox, 1983: 171).[3] The Mexican state thus remained "directly dependent upon resources generated in the private sector" (Hamilton, 1982: 213), whilst seeking to use these resources in order to pacify subaltern demands. Class antagonism was thus to be *mediated* by the state, rather than done away with. However, as Holloway and Picciotto (1977: 80) make clear:

> seen through the prism of the state, the capital relation is concealed, class struggle is diffused, classes are atomised into a mass of individual citizens - 'the public', class consciousness is broken down into 'public opinion' to be expressed individually through opinion polls or ballot boxes.

In other words, rather than seeing economic and political conflict as part of the same process resulting from capitalist exploitation, they are formally separated and channelled into fetishised forms. The 'imagined community' of the nation (Anderson, 1991), with its corollary of 'national interest' can thus be appealed to, in order to move issues away from class struggle and ensure the rule of capital (see Chapter 2). In this manner 'the revolution' was to become "the ideological banner legitimising bourgeois rule" (Cockcroft, 1998: 108).

The process of state formation in Mexico did not occur in a vacuum, but rather within historically specific structural constraints. Among these were the lack of an economic base, the poor development of the productive forces, the remnants of the old oligarchic state, and the pressure exerted by foreign capital (Hamilton, 1982: 63-71).[4] The key issue confronting elites would be how to expand opportunities *within* a stratified class framework that would serve to alleviate pressure from below. In other words how to successfully incorporate some limited demands of the subaltern classes into an over-arching hegemonic framework. The answer to this, as it was in the rest of Latin America (documented in the previous chapter) came in the production of a nationally-oriented market. The social forces put into motion with the revolutionary struggle, therefore *produced*

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[3]In relation to this point Nicolas Higgins (2004: 128) notes that in comparison with other revolutionary regimes such as the Soviet Union or Cuba, Mexico enjoyed an overwhelming degree of international legitimacy.

[4]As example of the pressure bought to bear by foreign capital was the cessation of production in the oil industry, supported by the US State Department in response to the doubling of taxes on oil exports introduced by the Obregon administration (Hamilton, 1982: 71).

modern Mexico by forcing the creation of a new scale for capital accumulation. There was thus nothing 'natural' about this national scale. However, important consequences flow from this nonetheless. As Neil Smith (1993: 101) argues, the production of scale is "not simply a spatial solidification or materialization of contested social forces and processes; the corollary also holds. Scale is an active progenitor of specific social processes." In contrast to the previous development strategy in which foreign investment shaped the urban and rural environment, the government in the 1930s "moved to effect an equivalent domestication of the capital market" (Glade, 1963: 72). Although the process of a new conscious national orientation to the development of space can be traced to the Calles administration in the 1920s, like the rest of Latin America, the Great Depression, and it's aftermath in the early 1930s, proved to be the key turning point for the evolution of the new development strategy, as it altered the field of force under which emergent bourgeois classes could pursue their objectives. Not only did it make export-oriented growth untenable due to the high tariffs that were erected in the core states, but furthermore it reduced somewhat the ability of foreign countries to intervene in the affairs of the peripheral ones (Hamilton, 1982: 23). Coupled with this was a generalised idea resulting from the Depression that it was a crisis of *global* capitalism, rather than a crisis of capital per se, the solution to which lay in constructing national markets that were less exposed to these world fluctuations. In the case of Mexico, where previously 50% of government revenues derived from foreign trade, new sources of productive capital were thus imperative (Cárdenas, 2000: 199). Local manufacture of light consumer durables thus began in earnest (Gereffi and Evans, 1981: 35).

What would emerge from this would be a Mexican version of the regional-wide capitalist development paradigm of ISI. As Enrique Dussel-Peters (2000: 8) argues, ISI "was not only an accumulation strategy, it was also deeply embedded in the emergence of a new political and social consensus among the respective oligarchies, labour unions, agricultural workers, capitalists and state." In other words ISI was also a hegemonic project developed through the creation of an historical bloc of contending social forces. A 'historical bloc' should be thought of as more than simply an alliance of various social groups, as its creation reflects the dialectic interplay between structure and superstructure. Thus, as Gramsci (1971: 377, emphases added) explains: "material forces are the *content* and ideologies

are the *form*." In other words, ISI can be postulated as an 'organic ideology' resulting as the synthesis from the material conditions under which social forces sought to press their claims. These material conditions included the breakdown of the traditional agro-export model, nationalist resentment of foreign ownership of key sectors of the economy, working class militancy and peasant unrest in the countryside. Concurrent with Hirsch (1978: 82, emphasis added), therefore, when investigating the function of the bourgeois state, it is imperative to "embrace the whole of the social, political and *national conditions* of the production of the social formation." As Robert Cox (1983: 168) points out, however, every historical bloc contains a hegemonic social class (in this case the bourgeoisie). Crucially, then, the system of ISI would take place through a capitalist framework where "the development and expansion of a particular group are conceived of, and presented, as being the motor force of a universal expansion, of a development of all the national energies" (Gramsci, 1971: 182). The hegemonic project would thus inscribe its own contradictions, when the limits imposed by its model of accumulation were reached and class forces began to stretch the elasticity of hegemony to breaking point. This, it will be argued, resulted in a second process of passive revolution with the transition to neoliberalism.

5.4 Producing space and scale under import substitution industrialisation

The historical bloc alluded to would be formally institutionalised through the creation of the *Partido de la Revolución Mexicana* (PRM: Party of the Mexican Revolution, later renamed *Partido Revolucionario Institucional*, PRI: Institutional Revolutionary Party), founded in 1929. As Serrano (1996) documents, since its creation, the party "has asserted a 'peculiar right to rule' liked to its emergence and rise to power in the aftermath of a 'historical crisis, the Mexican Revolution." If the Mexican Revolution epitomised the conditions of passive revolution, the PRI came likewise to embody the state. Fearing the 'Hobbesian potential' of Mexican society, the subaltern classes were tied to the government's tutelage through emergent corporatist structures (ibid: 6). This was paradigmatic of the model of 'controlled inclusion' discussed in the previous chapter.

The state, seeking to overcome the violence that had plagued Mexico since 1910, aimed to provide stability by trying to limit the demands placed upon the system, increasing the capacity of the state to meet what demands were made, stimulating cross-class support for the new growth model, and, vitally, retaining the support of key sectors of society that controlled enough resources to threaten the system (Hansen, 1971: 175). Key to the construction of this hegemonic project was the *production of space*. One integral aspect of this was land reform. A principle cause of the Revolution and a key source of continuing peasant unrest was the prevailing system of land tenure. Reform of the agricultural sector therefore became a central pillar of the Cárdenas administration (1934-40), and would come to serve a key historical social function in furthering the development of capitalism in Mexico. Under Cárdenas the *ejido*[5] was created which was to stabilise the Mexican countryside for almost thirty years (McCaughan, 1993: 20). The process of land reform profoundly altered the shape of the Mexican countryside. Whilst *ejidal* land only accounted for 13% of cropland in 1930, by 1940 this figure was 47% (Hansen, 1971: 32). Through the breakup of large haciendas, not only were peasants pacified and the state's legitimacy enhanced, but, furthermore, the land reform process helped destroy a key barrier to capital accumulation, that of the status-based *latifundia*, with its associated idle means of production. This again vividly demonstrates the power of class struggle in shaping space, as well as the central role the state played in this reorganisation.[6]

The opening of the countryside to capitalisation also facilitated the rise of industrialisation, as labour was 'freed' from debt bondage. Mass migration from the countryside resulted, a process that was accelerated by the transfer of resources away from the agricultural sector due to the uncertainty of its profitability in the face of land reform (Cárdenas, 2000: 204) Linked to these processes of land reform were state-led infrastructural projects intended to create a fully functioning 'national' market. This was to be achieved through irrigation works designed to increase the productivity of the land, and highway construction that would provide for the integration of formerly isolated areas, as well as linking industrial and urban centres (Cárdenas, 2000: 205-6; Kemper and Royce, 1979). The

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[5] *Ejidos* were government created communal lands, reminiscent of the pre-Hispanic form of land tenure.

[6] As John Tutino (1986: 8) summarises, peasants fought for *tierra y libertad*, and got *tierra y el estado*.

Year	Total	Dirt roads	Surfaced	Paved
1930	1426	629	256	541
1935	5237	1760	1918	1559
1940	9929	1643	3505	4781
1945	17404	2399	6842	8163
1950	21422	1865	5972	13585
1955	27431	3022	5881	18528
1960	44892	6710	11203	26970
1965	61252	8448	18373	34331
1970	71520	8494	21079	41947
1975	187660	75245	24434	57910

Table 5.2: Kilometres of road in Mexico 1930-1975 *(Source - Nacional Financiera, 1977: 82-83)*

importance of this spatial integration was vital for capitalist development. As Harvey (2006b: 375) explains, "spatial integration - the linking of commodity production in different locations through exchange - is necessary if value is to become the social form of abstract labour."

This point can be empirically highlighted through an examination of the road network and rail services in Mexico (Tables 5.2 and 5.3), key infrastructural developments that allowed for the circulation of commodities.

Post-war Mexico saw the increasing production of what Lefebvre (1991: 49, 53-57) calls 'abstract space' - that is a space whose primary purpose is the production of surplus value under conditions of wage labour in which 'differential space' (spaces not devoted to commodity production) could be maintained only through class struggles. Whilst the dynamism for this was propelled by the struggles of the subaltern classes and the necessity to expand opportunities for their participation, it was done so in a manner that retained support of the elites whose strategic control of resources allowed them to profit from this restructuring process. This point is summarised by Glade (1963: 69) who neatly explains the recomposition of class dominance in Mexico:

As the large public works program and urban expansion raised the returns on investment in construction industries, fortunes deriving from urban land ownership began to be invested in cement, glass, iron and steel and other construction industries. To a significant extent, then, the older landowning group abandoned its passive *rentier* role to

Year	Freight - million ton kilometres carried[a]
1925	3219
1930	4041
1935	4596
1940	5810
1945	8024
1950	8391
1955	10,961
1960	14,004
1965	18,326
1970	23,083
1975	33,673

[a] The number of ton-kilometres is the weight in tons of material transported multiplied by the number of kilometres driven.

Table 5.3: Railroad Services in Mexico 1921-1975
(Source - Nacional Financiera, 1977: 75)

become actively involved in new financial and industrial undertakings, including those induced by domestic market growth.

It should further be noted that commercial haciendas, producing for the export market, were largely protected from this process of land reform, leading to the development of a new agrarian bourgeoisie (Cockcroft, 1998: 118). The Cárdenas government then, although making some key concessions to the subaltern classes, did so in a manner that ultimately was consistent with the furtherance of capitalist development. Indeed, as Gerardo Otero (1999: 33, emphasis added) has argued "land redistribution in Mexico was the way *chosen* to entrench capitalism in Mexico."

Due to the relatively poor development of the productive forces and weak endogenous capital base, state involvement was vital to the process of capitalist development in Mexico, in order to create the material pre-conditions for the production process which no individual capital either could, or would do. A key social function of the state under ISI was therefore as an investor creating conditions for expanded accumulation (Fitzgerald, 1978). As has already been argued however, this should not lead us to conclude that the state was 'above the classes'. Rather ISI as a policy should be thought of as resulting from the ensemble of class forces bought into the historical bloc, within the limits determined by the

value form (Hirsch, 1978).

State regulation was also vital to developing the 'national scale' for capital accumulation. This was achieved through the creation of a favourable environment for investors, including protective tariffs, regressive taxation policies, subsidies to industry, and direct state ownership of key industries (King, 1970). The purpose was to create a stable environment whereby business would save and invest locally through the creation of profitable opportunities (Hansen, 1971: 71). This was another central pillar of PRI hegemony as it sought to gain the support of labour and the domestic bourgeoisie by insulating them from foreign competition. These policies were not without their successes. Indeed the post-war period has often been referred to as an 'economic miracle' due to the fact that social mobility increased to a degree unprecedented in Mexican history (Hansen, 1971: 181). The gross national product leapt from 13,524 million pesos in 1910 to 98,200 million pesos in 1965 (Nacional Financiera, 1977: 23). Agricultural and industrial production also increased exponentially during the years following the World War II, as Figures 5.1 and 5.2 illustrate.

The government's industrialisation drive profoundly altered the spatial organisation of Mexico. It went from being a predominantly agrarian society (in 1921 close to 70% of the population was rural) to an overwhelmingly urban one with by these figures reversed by 1976 (Nacional Financiera, 1977: 5). This system proved to be relatively stable as not only did it provide increasing opportunities in terms of education, jobs and social mobility but furthermore, demonstrated the possibility for advancement for those who had not yet benefited (Hansen, 1971: 193). Moreover, from a class-theoretical perspective it was enormously 'successful' in instituting and developing the dominance of the bourgeoisie (Ruccio, 1991). Bianca Heredia (1996: 133) documents that from 1940-1970 there developed a strong state-business nexus based on tacit coordination and explicit cooperation. In exchange for saving and investing locally, the state gave its active support to private accumulation. However, as Jessop (1990: 210) argues, the long term success of a hegemonic project "will depend on a flow of *material concessions* to the subordinate social forces." Maintaining a flow of material concessions whilst seeking to restructure Mexican capital after the 'easy stage' of ISI came to an end was something that ultimately Mexico's accumulation strategy could not do without incurring massive debt. This would lead to the breakdown of the his-
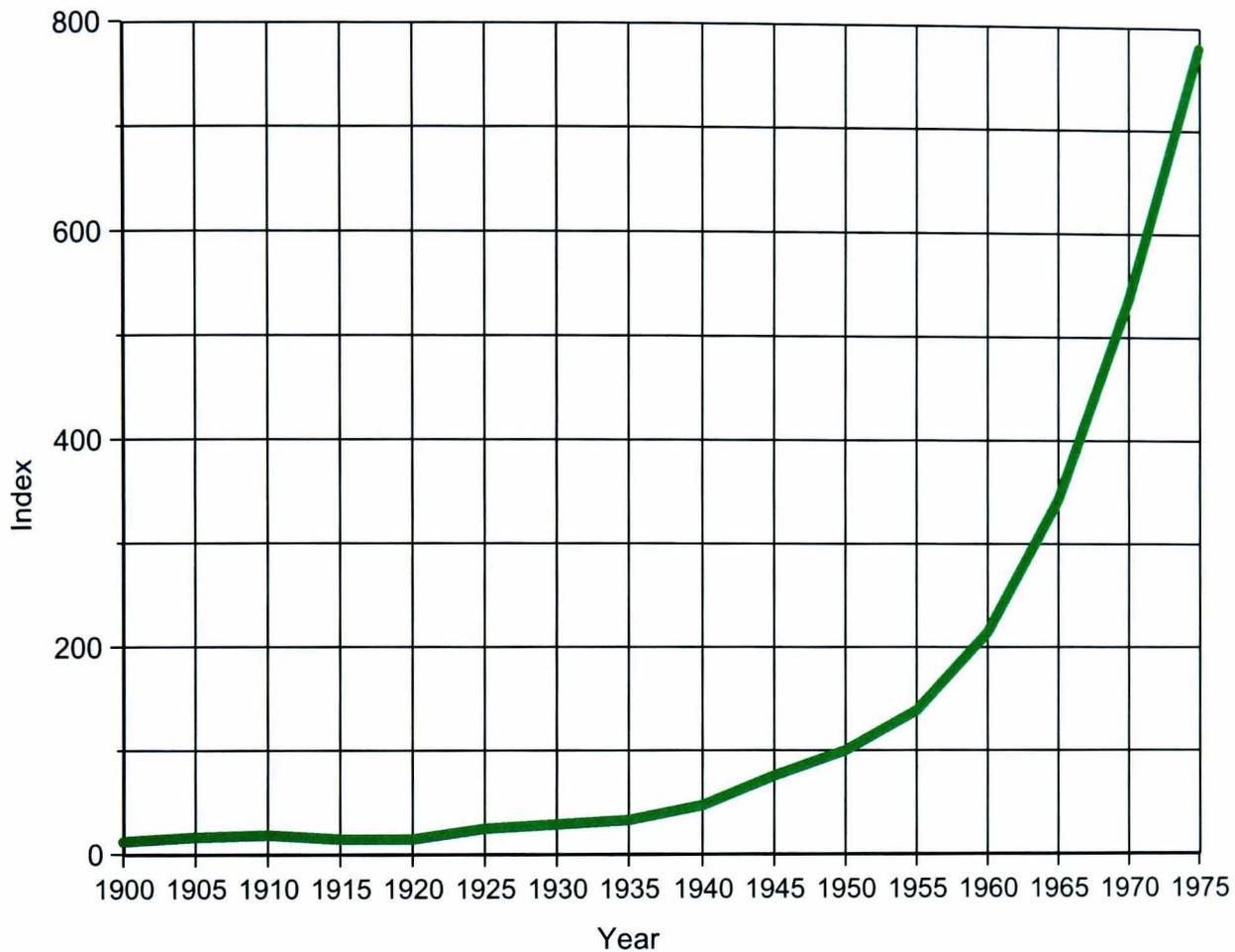
Figure 5.1: Index of the volume of manufacturing in Mexico 1900 - 1975 *(Source: Nacional Financiera, 1977: 146)*

torical bloc and the recomposition of the state's social basis with the transition to neoliberalism. Giving more substantial detail to the analysis rendered in the previous chapter, it will now be argued that the reasons for this lie in the peculiar nature of the scalar and spatial project of ISI, relying as it did on an extremely narrow market for the consumption of its manufactured goods, whilst being dependent on outside sources to provide the inputs for this production process. This led to an increasing current account deficit that was temporally displaced - but ultimately therefore compounded - by increased foreign borrowing.

Figure 5.2: Index of the volume of agricultural production in Mexico 1900 - 1975 (1950=100) *(Source: Nacional Financiera, 1977: 107-108)*

5.5   The contradictions of import substitution industrialisation

One of the key contradictions of ISI in Mexico was that it never managed to reduce completely its reliance on an 'outside'. As Marx (1867/1974: 531-536) makes clear, capitalism is not merely a process of production, but also one of *reproduction*. That is to say, it must furnish the materials necessary to replace those used up in the course of a year in order for accumulation to continue. It is through this process that the social relations of capitalism are also produced and reproduced. Taking this model of simple reproduction we can pick apart the idea that ISI represented a 'nation-state phase' of capitalism (Robinson, 2003, 2004a, 2008). Whilst manufactured goods were indeed produced for the domestic market, key capital goods needed by the Mexican industrialization process were

generated in the core capitalist countries who in turn needed foreign markets for their over-accumulation of these Department 1 goods. Thus, whilst Mexican industrial capital did increase fivefold during the period 1940-1965, imports of capital goods and replacement parts increased over twelvefold over this period. Import-substitution, in other words was actually 'import-intensive' (Cockcroft, 1983: 161-62, 179). Furthermore, the capital necessary to invest in the industrialization process was generated through the export of raw materials to the core. Although the Second World War is often highlighted as a key period for the country's turn inwards, in fact, during this period, Mexico's exports actually doubled (ibid: 151). The 'global' was thus inscribed in 'national' space from the outset (as the previous chapter also pointed out). This point can be further empirically demonstrated if we examine the process of irrigation, a key spatial development that was vital to transforming Mexican agriculture. Loans for this process were provided by the US based Rockefeller Foundation, and the irrigated land was then to become a key site for (cheap) agricultural exports to the US (Barkin and Esteva, 1986: 124). We can clearly see that through an examination of simple reproduction, the core and periphery remained thoroughly interlinked through transnational flows of goods and money (circulating capital in other words). Expressed another way, there was no period in which a purely national space was hegemonic, as the production of capitalist social relations always relied upon a space outside its territorial borders. The idea that nation-state based capitalism came to containerise social relations can thus be shown to be palpably false. The space of Mexico was always forged through transnational linkages therefore during the era of so-called 'national development'. It was *nationally* oriented capitalism with *transnational* characteristics. It is for this reason that ISI can more usefully be described as a 'dependent development' strategy (Gereffi and Evans, 1981: 31-32). This is superior to positing a Eurocentric history of nation-state era capitalism, which elides the very differences in power relations between states as well as classes. In other words, it removes the very conditions of uneven and combined development, essential to understanding the spaces of capital. Indeed, it was through these links with the global economy that new forms of class struggles began to manifest themselves that would precipitate a second phase of passive revolution in the form of state-led process of restructuring. Let us now examine this in more detail.

As mentioned previously, in the aftermath of the Revolution, foreign capital was still preponderant in Mexico. Although its dominance was challenged somewhat by Lázaro Cárdenas - most notably with the expropriation of the oil industry in 1938 and, additionally, the nationalisation of railways - foreign ownership still constituted a major part of the manufacturing industry. Indeed, by 1972 over half of Mexico's manufacturing firms were foreign-owned (Fitzgerald, 1978: 266). Enrique Dussel-Peters (2000: 44) argues with regard to this point that:

> a seemingly 'peaceful coexistence' evolved: state owned enterprises and national private firms provided the infrastructure, producing consumer and intermediate goods, whilst TNCs, with higher total factor productivity and profit rates, concentrated their activities in relatively more advanced manufacturing branches.

The focus on the creation of a 'national' market actually drew in foreign investors as high profits could be made inside the protected environment that Mexico offered (Reynolds, 1978: 1006). As Cockcroft (1983: 151) documents, US investment "doubled in 1950, tripled in the 1960s and quadrupled in the 1970s." Manufactured goods, despite this *international* composition, were produced largely for *national* consumption, and as we shall later see, this would be a key barrier to further accumulation. Increasingly during this period, Mexico witnessed the concentration and centralisation of capital, as large enterprises took over small and medium ones. This can be directly related to the state's particular accumulation strategy as: "The concentration of personal income and the centralization of control over the productive apparatus was financed by the extraordinary high profits generated in an overtly protective environment carefully shaped by the state" (Barkin, 1990: 79). Despite the massive state support they received, domestic industry began to be outperformed by the more efficient transnational corporations (TNCs). Rather than complementing domestic production with goods that they could not furnish, TNC growth in Mexico became increasingly due to acquisition rather than Greenfield investment (Gereffi and Evans, 1981: 45). The new global spatialisation strategy of these firms, however, needs to be dialectically related to developments within their own national setting. As was highlighted in Chapter 3, within Fordist core countries there

were fewer opportunities for productive investment in this period, meaning over-accumulated resources sought a productive outlet elsewhere. Concomitantly, the protected environments offered by developmental nations such as Mexico offered incentives to shift production sites there. The uneven development of capitalism and the difference that nationally produced spaces contained in their social relations can again be empirically witnessed here in explaining the rise of global capital accumulation.

The spatial significance of Mexico under ISI can be demonstrated by examining the changing composition of post-war foreign investment. Whereas 47% of US private investment pre-World War II had been geared towards export-oriented concerns, by 1959 manufacturing for the domestic market was the key focus (Glade, 1963: 8). Indeed by the early 1970s two thirds of US investment was in manufacturing (Gereffi and Evans, 1981: 40). This would not have happened were it not for the idea of a protected national scale in which capital accumulation could occur, thereby highlighting Saskia Sassen's (2006: 1) argument that the national can simultaneously be "one of the key enablers of the global scale." The embryonic formation of a transnational capitalist class therefore developed as "local elites interested in development thus found common ground with many of the TNCs interested in global expansion" (Gereffi and Evans, 1981: 40). However, the growth of TNCs would ultimately have a corrosive effect on the viability of ISI as a hegemonic project. It accelerated Mexico's reliance on capital goods exogenously produced, adding strain to the country's balance of payments (Jenkins, 1979: 104). ISI was funded largely through the transfer of resources gained from the exportation of agricultural products. This led to an effort to increase profits in the agricultural sphere through capitalisation and mechanisation, speeding the dispossession of the peasantry and swelling the urban population. However, owing to the high organic composition of capital that was being imported, not enough employment opportunities were being generated to cope with this urban migration (Fitzgerald, 1978: 273; Hamilton, 1982: 32).

Meanwhile, due to the reliance on foreign capital to finance industrialisation, the government favoured large commercial farms producing for export at the expense of *ejidos* (King, 1970: 29; Barkin, 1990: 22, 34). Market relations rather than productiveness governed this decision, as *ejidos* were just as productive as private farms (Hansen, 1971: 61). This support expressed itself geographically.

with the government's main investments in irrigation and agricultural equipment being concentrated in the north and north-east of the country - areas that served as platforms for exportation to the United States (for a discussion of the way in which the South of Mexico has historically been neglected see Dávila *et al.* 2002).[7] Uneven development was thus taking place both internationally and intra-nationally (a point to be discussed in detail in the following chapters). As a means for depressing wages in the industrial sector, price support for basic grains had been frozen since 1962 (Barkin, 1990: 26). However, as a response to this, many peasants stopped producing for the market and instead reverted to subsistence farming. The result of the government's agricultural policy then was to move the country from a position of virtual self-sufficiency to one where the country had to import basic foods to fulfil the needs of the population. This would further serve to exacerbate Mexico's trade deficit, and thus cause additional balance of payment problems, an issue that has consistently plagued Mexican development (McCaughan, 1993: 12). Moreover, it would also lead to the fracturing of the PRI's hegemony among the peasantry with new independent unions being formed outside the government's corporatist structures (Harvey, 1998: 1; Cockcroft, 1983: 249). In order to deal with the growing imbalances in the economy and the increasing demands that were placed upon it from workers, peasants and the nationally-oriented bourgeoisie, the Mexican state turned abroad for loans to oil the creaking wheels of ISI and offset discontent.

As we can see, the conditions for creating an endogenously self-renewing process of production were never realised in Mexico. This situation was compounded by the fact that the subaltern classes were largely excluded from entering into consumption of the goods they furnished. As the economic expansion associated with the 'easy stage' of ISI came to an end, the PRI found its hegemony unravelling due to the fact that it was unable to make the concessions necessary to gain the support of key constituencies, both in terms of the domestic bourgeoisie who saw themselves being displaced by transnationally-oriented industrialists, and the subaltern classes who found their limited inclusion into the hegemonic project increasingly precarious (Davis, 1993: 51). ISI thus entered a "structural crisis of accumulation" (McCaughan, 1993: 6). However, one can only understand the

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[7]Unlike Fordist countries in the West, in Mexico "the government's policy has never been so broadly conceived or applied to prevent seriously uneven development" (CMWP, 1953: 78).

meaning behind this structural crisis if due attention is paid to the class relations that the accumulation strategy was built upon, with limited scope for effective demand leading to overproduction and stagnation (McCaughan, 1993: 11). Additionally, the term 'structural crisis' only has meaning to the extent that groups of human beings have frustrated needs, and make demands that cannot be met. As noted in Chapter 2, structure and agency are therefore tightly interlinked (Bieler and Morton, 2001). As Gramsci (1971: 113) argues in relation to this point: "It seems obvious that the so-called subjective conditions can never be missing when the objective conditions exist, in as much as the distinction involved is one of didactic character."

The starting point then for investigating capital restructuring comes from the falling rate of profit and the attempts by the Mexican state to mobilize counter-tendencies to this. As Hirsch (1978: 74) writes in relation to this, "the mobilisation of counter-tendencies means in practice the reorganisation of an historical complex of general social conditions of production and relations of exploitation in a process that can only proceed in a crisis ridden manner." The state-led transition from ISI to neoliberalism perfectly exemplifies this point. The basis for this falling rate of profit was due to the narrow social relations on which capitalism was based, and the fact that production in Mexico had always been oriented towards elite consumption. The production of national space - vital to fostering the conditions where capitalist class processes could be safely incubated - now became a barrier to further accumulation, as corporations sought integration into the world market in order to widen their profits. This crisis manifested itself in growing unrest and demands for reform, as well as more radical action in the growth of guerrilla movements in the late 1960s and early 1970s. The state responded to this pressure from the subaltern classes with increasing repression, most dramatically with the massacre of students and workers in the Tlatelolco Plaza in 1968, highlighting Gramsci's (1971: 263) point that along the path to hegemony the "the armour of coercion" is always latent. This act of repression, however, hugely undermined the legitimacy of the PRI.

The administration of Luis Echeverría (1970-76) sought to deal with the contradictory pressures placed on the state by labour and domestic capital by implementing a new policy of 'shared development'. A central pillar of this was the so-called 'Mexicanisation laws' that sought to limit TNC activity and restore

the national basis of accumulation. This involved restricting foreign ownership in strategic sectors and legislating for majority Mexican ownership in others (Weinert, 1981: 119). Concomitant with this, the state sought to restructure domestic capital in order to reduce its reliance on foreign inputs. Capital goods production was thus focused upon. Lastly, the PRI sought to revive its legitimacy with the subaltern classes by taking on a greater investment burden in health and education (Fitzgerald, 1978: 27; Barkin, 1990: 83). However, this attempt to reconstitute the PRI's hegemony highlights dramatically the limits of state autonomy, with the nature of class forces able to influence state policy having shifted dramatically in favour of transnationally linked capital. Reflecting this was the manner in which transnationally-oriented fractions of capital successfully mobilised to block Echeverría's spending plans and modest tax reform proposals (Davis, 1993: 55). Capital export and production cutbacks were the manifestations of business opposition (Hamilton, 1982: 30). Reforming the basis of Mexico's taxation system however was an urgent priority in order to counteract key fiscal imbalances. Although Latin America as a whole had a historically low rate of taxation as a proportion of GNP, with levels at around 20% compared with the 30-40% taken in the developing world, Mexico stood out as particularly solicitous of business with an average tax rate between 5.7 and 7.7% (King, 1970: 53). Unable to mobilise sufficient domestic resources from inside its national space, the Mexican government was therefore forced to borrow on international markets. Maintaining ISI as a hegemonic project, which sought, at least nominally, to include all social classes in the development strategy, was thus commanding more resources than the accumulation strategy was able to generate. This pattern of temporally displacing crises, rather than addressing their fundamental cause became a familiar pattern in Mexico during the 1970s. Neil Brenner (1998: 472) has demonstrated that when spatial and scalar configurations fail to secure the conditions for capital accumulation, they are generally "reconfigured in significant, if always highly contested ways." This indeed was precisely what occurred in Mexico.

Thus, as Morton (2003: 637) notes, "while neoliberalism *had not* taken hold at this time, crucial cleavages within the organisation of the state were developing that would lead to shifts in capitalist accumulation." The context in which the 'shared development' strategy of Echeverría was articulated was qualitatively

different to previous attempts to shore up hegemony. The 'stabilizing development' strategy pursued by the Díaz Ordaz administration (1964-1970), at least in its early phase was able to command the support of all fractions of labour and capital. However, the path dependent logic of capitalist development meant that by the time Echeverría came to power, a 'tipping point' had been reached where crucial class antagonisms had emerged that were becoming harder to reconcile.[8] The struggle of particular factions of the bourgeoisie to accumulate further surplus value through increasing spatial integration with the global market, and attempts by the subaltern classes to resist their deepening exploitation, were the concrete class forces that created this 'tipping point'. As Diane Davis (1993: 52) explains with regard to the outcome of the 'stabilizing development' strategy:

> By strengthening a few large internationally linked firms to the detriment of national industry and most other subordinate social groups, stabalising development had fundamentally altered the balance of political power both within the capitalist class and between labour and the state.

It was becoming increasingly clear that the latest attempts to reinvent ISI as a viable accumulation strategy were untenable. Exports were failing to increase and imports were accelerating too fast, creating current account difficulties and leading to a dialectic of overaccumulation and spiralling inflation in an effort to deal with this. In order to stabilise the system, further debt was contracted abroad, with this debt itself finally becoming the foundation of economic growth (Rosario Green, 1981: 106). In 1976 the cycle of foreign borrowing, capital flight and a deteriorating current account forced a massive devaluation of the peso. This devaluation was not, however, class neutral. As Barkin and Esteva (1986: 14) note, "the powerful national economic groups took advantage of the situation, centralising their control of strategic resources, reinforcing their links with transnational corporations, and expanding both their operations and their prospects for profits." Under the auspices of the IMF, an austerity program was agreed by the incoming López Portillo administration (1976-1982). The program included reducing federal spending, the cutting of social welfare programs, the freeing of exchange rates and limiting wage increases (Cockcroft, 1983: 259). The

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[8]This notion of 'tipping points' is taken from Sassen (2006).

subaltern classes in other words were to bear the costs of devaluation, in order for the process of private capital accumulation to continue. This would prove to be a recurring motif of Mexican development for the next twenty-five years. Growing class resentment resulted, expressed through increasing labour militancy and peasants organising outside of traditional corporatist unions. Cockcroft (1998: 256) documents how independent peasant organisations sought a broad alliance with urban squatters, teachers, labour militants and students, creating the potential for progressive resistance. However, divisions over tactics and ideology would come to split the movement.

In the face of mounting social pressures, the discovery of vast oil deposits in 1976 was viewed by the government as 'black gold' that could again restore accumulation and shore up support through increased social spending. This oil discovery would have profound effects on the structure of the Mexican economy and class structure. By 1982, Mexico had become virtually a monoculture economy, with oil coming to account for almost 75% of export earnings (CEPAL, 2007). Resources were diverted from agricultural production to increase productive capacity, once more furthering the growth of proletarianisation. Again, however, Mexico found itself reliant on resources outside of its own national space. In order to increase the capacity for oil extraction a huge influx of machinery, foreign capital and technical know-how was needed (Cockcroft, 1983: 262-3). This dovetailed neatly with the internationalisation of US capital. Indeed as Rosario Green (1981: 112) argues, "only because of their international lending activities were American banks able to sustain the pace of profit growth". It was the accumulation of vast reserves of 'petrol-dollars' in Western banks that provided this liquidity, as this would have caused inflationary pressures in core states were it not to find a productive outlet. This merry-go-round of finance capital and debt began to spiral out of control. As discussed in the previous chapter in relation to Latin America as a whole, Mexico in particular became a site for the creation of 'fictitious capital'. The rapid influx of finance capital was far in excess of Mexican productive capacity[9], a matter that was compounded when oil prices began to fall in the late 1970s. However, by this time Mexico had the highest per capita debt in the third world (Cockcroft, 1983: 270). There was then a growing

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[9]As Jessop (1990: 199) makes clear the rates of return on money capital are always ultimately dependent upon the performance of productive or industrial capital.

realisation that it would not be possible to repay the debt, a fact confirmed by finance minister Jesús Silva-Herzog in August 1982, as Mexico entered into the so-called 'debt crisis'.

5.6 The silent revolution as passive revolution

This crisis, as it was for all of Latin America, would be taken as a chance to fundamentally restructure the Mexican economy along neoliberal lines, exemplifying the conditions of passive revolution whereby the state plays a leading role in the process of restructuring and renewing class power. The conditions were of course different to that of the Mexican Revolution, but as Gramsci (1971: 114) makes clear, the concept of passive revolution should serve as a "category of interpretation" rather than a specific programme (see also Morton, 2007b: 15-36). Just as the entry into the crisis came from the breakdown of a particular accumulation strategy and hegemonic project, so the crisis would be used as the basis on which to begin constructing a new historical bloc with an alternative accumulation strategy and hegemonic project. In this sense, the spiralling debt was utilised as a weapon to enforce market discipline. Unable to gain access to capital through private lending, Mexico was forced to adopt IMF austerity measures, which frequently involved a re-timetabling of the debt burden, but only at the cost of increasing its overall amount (see Figure 5.3). This further exposed the country to the pressure of transnational capital, enhancing those fractions of capital in Mexico oriented towards *global* accumulation. Barkin (1990: 7, emphasis added) astutely summarises the political implications of the debt crisis: "Mexico, like most other third world countries, can never be expected to pay off its debt. Rather, the debt and the crisis that sparked it have already done their service in the international economy. They have *forced a reorganisation of production and of social classes.*"

Bob Jessop (1990: 211) usefully distinguishes between 'one nation' and 'two nation' hegemonic projects. 'One nation' hegemonic projects offer an expansive form of hegemony, whereby rights and welfare are expanded (albeit unevenly) for the whole population. Sacrifices are required by the leading classes in the form of material concessions to provide stability. ISI can thus be interpreted in this light. 'Two nation' projects by contrast seek only to mobilise strategically significant
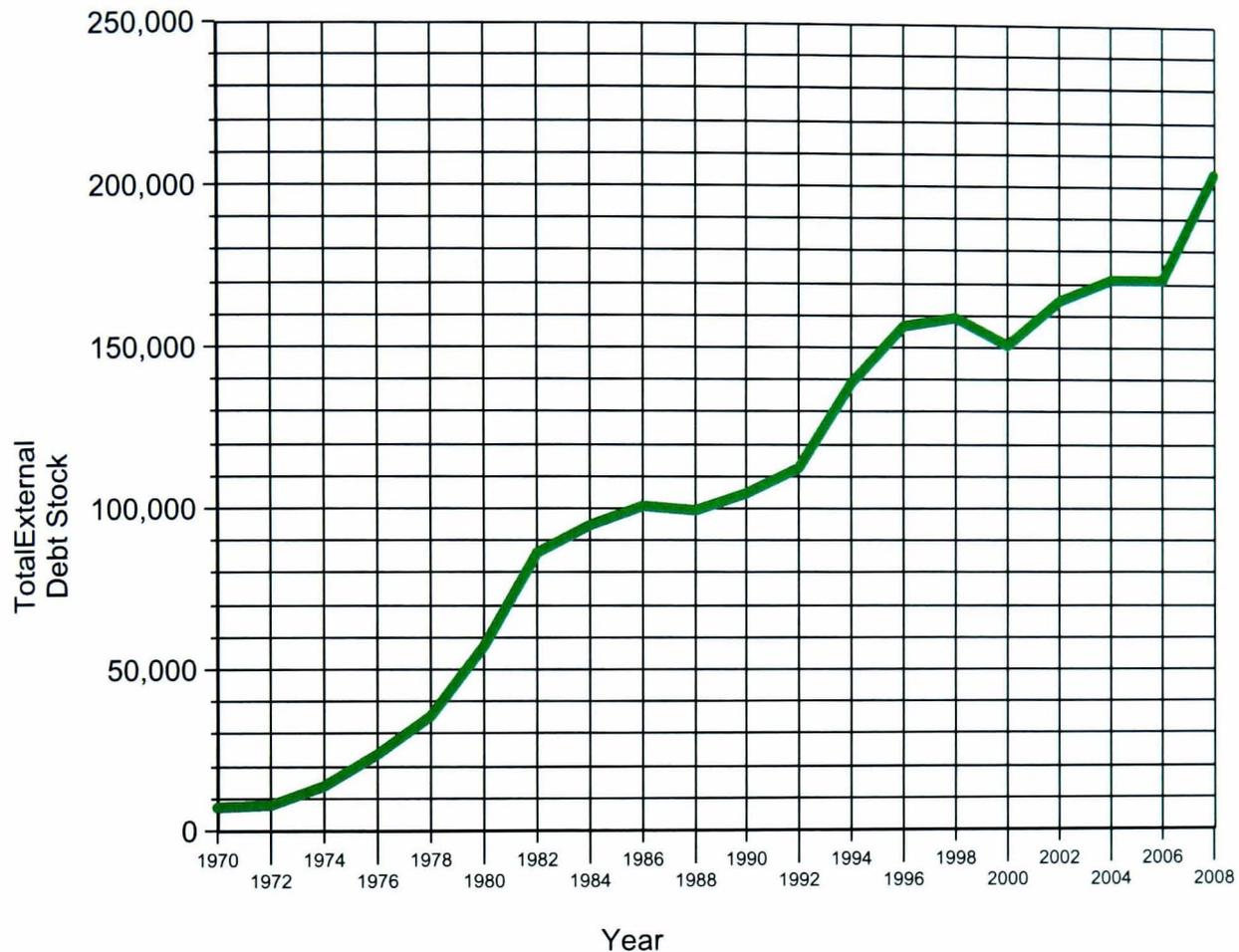
Figure 5.3: Total external debt stock of Mexico 1970 - 2008 (billions of dollars) *(Source: World Bank Statistical Database: http://www.worldbank.org/)*

sectors of the population and offer limited scope for material concessions to the subaltern classes. Neoliberalism in Mexico is in this sense a paradigmatic example of a 'two-nation' hegemonic project. Green (1995) has labelled this process of restructuring (which also affected the whole of Latin America) as a 'silent revolution' due to the manner in which the voices of the marginalised were sidelined and capitalist processes of exploitation deepened. It is argued here that a focus on the key role of the state as the facilitator of this process allows us to understand the rise of neoliberalism in Mexico as a second instance of passive revolution.

The discussion hitherto has highlighted how the state has to be located within the historical form of exploitation engendered by capitalist social relations. However, as has been demonstrated through the evolving character of ISI, the precise nature of these relations are far from static, and as ISI progressed, class antagonisms began to be constituted more and more by transnational processes

of accumulation, confirming the point made by Gramsci (1971: 117) that the state is to be understood as "the concrete form of the productive world." We can see that, just as much as the period prior to Mexican Revolution, then so too with the turn to neoliberalism, the restructuring of state/civil society relations must be located in the dialectic between the 'national' and the 'international' and the conditioning of uneven and combined development. If it is to survive as an institution, an essential requirement of the bourgeois state is to ensure the conditions for continued capital accumulation. However, it was clear that with the declining profitability of ISI, the state's role as a creator of a 'national scale' for the accumulation of capital had reached its limits. Yet, this does not mean that the space of the 'national' has become unimportant. Induced by virtue of the historical relations pertaining there and thus the potential for the extensive and intensive enlargement of capital, the space of Mexico has been *reconfigured* in order to serve as a site for the accumulation of capital on a global scale.

The role of the state has been fundamental to the reorganisation of capitalism in Mexico. As a result of the changing balance of class forces, it has been transformed from being a key source of investment and the provider of goods for productive consumption (essentially an ideal collective capitalist) to one where its function was:

> to reshape social relations to create an attractive environment that would stimulate industrialists - domestic and foreign - to invest in new competitive ventures which would in turn allow the country to become a responsible participant in the *international* economy (Barkin, 1990: 94, emphasis added).

Making space an attractive destination for foreign capital therefore became a vital policy priority. To this end, the state once more became an agent of 'primitive accumulation' in Mexico. The 1987 *Pacto de Solidaridad Económica* (PSE) was the first key piece of legislation signalling the state's new policy orientation, eliminating subsidies and dramatically reducing tariff barriers (Dussel-Peters, 2000: 65-66; Heredia, 1996: 138). The mounting debt burden meant resources were forced to be transferred from social expenditure to debt repayment. This had massive social repercussions with a 40% decline in real wages (Walton and Shefner, 1994: 123). Factors such as *ejido* land or parastatals - es-

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sential to the stability of ISI - now became the spaces through which the capital relation could be extended. Article 27 of the constitution - the cornerstone of the Mexican state's covenant with the peasantry in the aftermath of the Revolution - was repealed by Carlos Salinas in 1992 demonstrating the new policy priorities of the state. This reform allowed for the privatisation of *ejido* land and also formally ended the petitioning for land reform, signalling the end of the Mexican Revolution while auguring the rise of a new passive revolution. The southern states of Mexico (where the largest proportion of communal land is held) have become what Neil Brenner (1997: 280) refers to as 'spatial targets' for a new round of capitalist expansion. Just as the uneven and combined development of space within the global political economy was the means by which the crisis built, so too would it be utilised as a means to attempt to resolve it by producing its relation anew in a different articulation.

As Figure 5.4 demonstrates, taking the declared objective of attracting FDI on its own terms, Mexico has been highly successful. The beginning of the rapid increase of FDI in 1990 coincided with the massive privatisation of parastatals and reforms designed to pave the way for entry into NAFTA, such as the reduction of price supports and subsidies to peasants. Mexico has thus gone from being a country that based its accumulation strategy on domestic industrialisation and the growth of an *internal* market, to one which seeks further integration into *global* production networks. This is demonstrably shown in Figure 5.5 which highlights the rise of manufacturing as a percentage of the total value of Mexican exports (from 1992 onwards this includes maquila goods).

The state has reshaped the space of Mexico so that it now serves a vital new social function in the global division of labour. With Mexico's entry into NAFTA in 1994, its space has now become essential to the profitability of US capital. Some 62% of FDI in Mexico is US based, with 86.6% being located in the maquila sector, where wages are notably lower than in the US (Dussel-Peters, 2000: 124). Maquilas, as Gereffi (1995: 134) notes, provide a poor basis for meaningful development, as they offer limited scope for skills upgrades, technology transfers, and create few backwards linkages with local society. Drawing on the discussion from the previous chapter, Mexico may experience economic growth, but is unlikely to see 'development' based on the continuation of this trajectory.
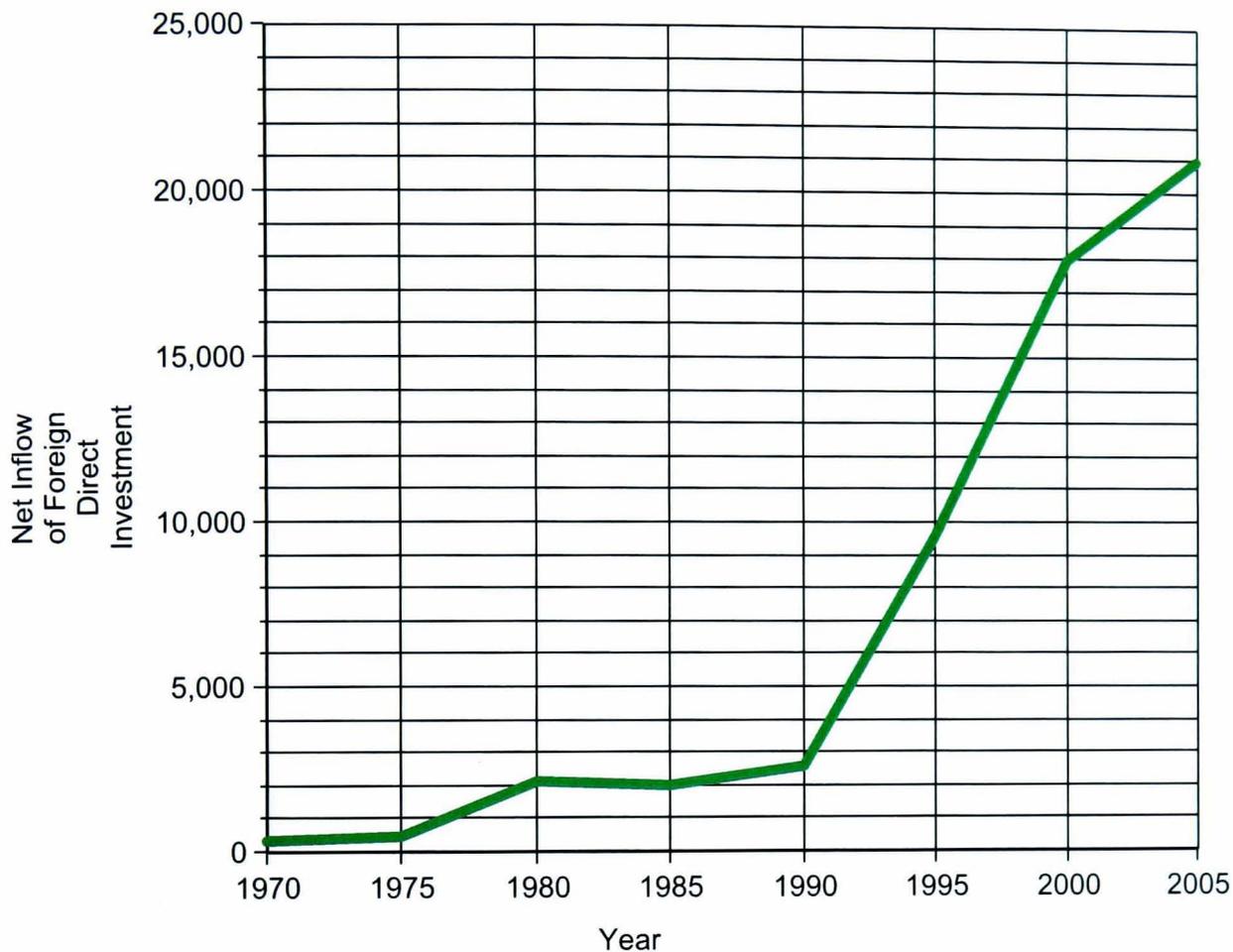
Figure 5.4: Net inflow of Foreign Direct Investment in Mexico 1970 - 2005 (billions of dollars) *(Source: World Bank Statistical Database: http://www.worldbank.org/)*

5.7 ¡La lucha sigue!

The move from ISI to neoliberalism in Mexico, thus again provides concrete meaning to Lefebvre's (1991: 55) claim that; "Today, more than ever the class struggle is inscribed in space". The debt crisis in Mexico must not be understood only as a *national* crisis of capital accumulation, but also a *global* capitalist crisis. It was through geopolitical competition that the costs of devaluation were exported to Mexico (Harvey, 2006b: 438). Devaluation, however, is always a two sided process that provides opportunity for some and increased exploitation for others.[10] Marx (1867/1974: 567) captures this essential class dynamic when he declares

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[10]Carlos Slim, one of the world's richest people, made his fortune during this period for example in the privatization of state-owned industries, and a number of other tycoons also emerged.
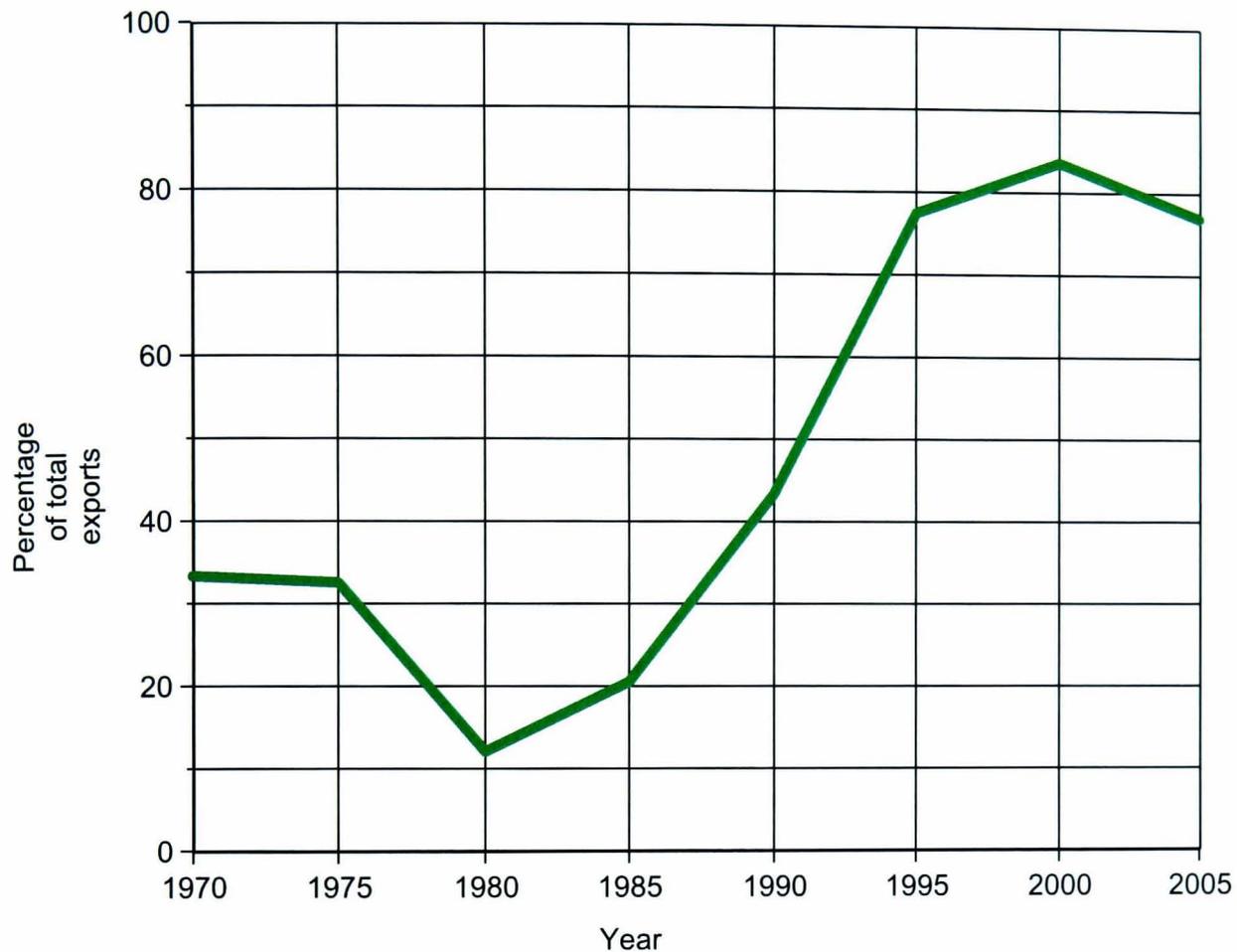
Figure 5.5: Export of manufactured goods as a percentage of total exports of Mexico 1970 - 2005 *(Source: CEPAL, 2007)*

that the "development of productive power is accompanied by a partial depreciation of functioning capital. So far as this depreciation makes itself acutely felt in competition, the burden falls on the labourer, in the increased exploitation of whom the capitalist looks for his indemnification." This can be witnessed in the move to create 'flexible' labour markets in Mexico as a concomitant to the new export-oriented strategy. In practice this has meant an intensification of the labour process, in which employment status is more precarious and government or union protection limited (McCaughan, 1993: 18). Large internationally-linked business on the other hand, saw their power augmented and their political centrality increased (Heredia, 1996: 142). Other geographical manifestations that resulted from this include increased migration to the US in search of jobs, as well as the growth of urban slums (Barkin, 1990: 10). A conservative UN estimate puts the percentage of urban Mexicans now living in slums at 19.1%, although,

using a less restrictive definition, the number rises to almost two thirds of the population (Davis, 2006: 23). These slums contribute to the growth of the informal economy (discussed in the previous chapter), helping to mask unemployment figures whilst also providing a super-exploitable workforce, adding further downward pressure to wages in the formal sector. The point was clearly recognised by Marx (1867/1974: 435) who saw that the spatial dispersion of work led to the decreasing power of collective resistance, something capital attempts to build upon with piece work and subcontracting. Concurrent with Cockcroft (1998: 236) the growth of slums and the informal economy should not be viewed as pre-capitalist forms of social relations but rather as a "product and tool of modern capitalist accumulation."

The state has played a key role not only in affecting this transition but also in attempting to deal with the resulting class resentments, through a number of social programs such as the *Programa Nacional de Solidaridad* (PRONASOL: National Solidarity Program) and the *Programa de Educación, Salud y Alimentación* (PROGRESA: Program for Education, Health and Nutrition) as well as widening the sphere of democratic participation. However, these social programs must clearly be interpreted in light of an attempt at the recomposition of PRI hegemony (Morton, 2003: 643; Veltmeyer, 1997: 234). Whilst not overlooking the importance of widening democratic participation in Mexico, and the notable ending of the PRI's 71 year dominance of Mexican politics with the election of Vicente Fox in 2000, this must again be interpreted as a state-led solution to the political crisis provoked by the Zapatista uprising in 1994, as it aimed at pacifying subaltern demands and channelling them onto a more manageable terrain that stays within the limits of acceptable discontent. As Morton (2005: 190) argues, the democratic reforms were:

> designed to frame and condition the institutional context of opposition movements. The reform constituted the construction of a specific legal and institutional terrain that was capable of containing popular demands by defining terms and fixing the boundaries of the rules of the game of representation and social struggle.

This attempt at the *statisation* of discontent has not been wholly successful. The Zapatistas, since 1994 have steadfastly continued to resist incorporation

into 'official' political discourse, and have instead created autonomous spaces for horizontal, democratic political practices beyond the purview of the state. Their example has served as an inspiration to other social movements around the country, who have found themselves forcibly disenfranchised from the state's new hegemonic project. In 2006 the Zapatistas began their *Otra Campaña*, which ran parallel to the Presidential elections. This was intended to begin the process of creating civil society alliances to transform Mexico from the bottom up. 2006 also witnessed the explosion of popular anger at the corrupt and repressive governorship of Ulises Ruiz Ortiz, crystallising in the formation of the *Asamblea Popular de los Pueblos de Oaxaca* (APPO: Popular Assembly of the Peoples of Oaxaca). This movement, coming in the wake of the repression of the teachers union (Section 22) must be placed in the context of the increasing inability of the state to attend to wider societal demands, demonstrating the failure of hegemony (Martínez Vásquez, 2007: 79).

5.8 Conclusion

It has been argued that through an examination of Mexican development in the twentieth-century we can identify two particular instances of passive revolution whereby the state has acted as the leading agent of transformation, restructuring social relations and maintaining/furthering class power. These instances of passive revolution must be thought of as protracted processes rather than single, sudden events, the import of which has been to affect "molecular changes which...progressively modify the pre-existing composition of forces, and hence the matrix of new changes" (Gramsci, 1971: 109). Associated with each phase was a particular state spatial project that served a distinct historical social purpose. While the first instance of passive revolution managed to offset the revolutionary impulses of the time and draw subaltern classes into an expansive hegemonic project through its production of space, it is becoming increasingly clear that the neoliberal passive revolution is failing to do this, as rather than opening new possibilities for the subaltern, the new spatial strategy is threatening long-held revolutionary desires for a different way of life. As the Mexican state has sought to open new spaces for capital, so too there have emerged a proliferation of new spaces of resistance. It is to these spaces of resistance that we now turn, with

detailed case studies of the Southern states of Oaxaca and Chiapas.

Chapter 6

The Changing State of Resistance: Defending Place and Producing Space in Oaxaca

> While over the centuries, the
> Valley of Oaxaca's population has
> retained many indigenous cultural
> features, these now seem in
> opposition to capitalist
> development

Cook and Diskin, 1976: 13

In the summer of 2006, the historic capital of Oaxaca State - known for its quaint charm and tranquil ambiance - resembled something more akin to a war zone. Thousands of barricades were erected throughout the city around key public offices, and a state of 'ingovernability' was declared. For five months no official government functioned. Instead, informal neighbourhood organisations sprang up with popular 'people's councils' replacing official political parties as the local centres of power. Out of this cacophony of voices and searing anger, directed at one of the most corrupt and repressive governors in recent history, a disparate collective of social movements, trade unions and civil society organizations came together under the banner of the *Asamblea Popular de los Pueblos de Oaxaca* (APPO). Some immediately drew the analogy between events taking place in

Oaxaca and those of the Paris Commune (Esteva, 2009: personal interview, Oaxaca). Since this time, the sharpened social tensions have not receded. Whilst the Mexican state and transnational capital continue to attempt to reconfigure it into a new pole of accumulation, so too has Oaxaca been at the forefront of experimentation and creative alternatives to neoliberal governance in Mexico, moving from long held traditions of resistance to active transformation of the political terrain. Whereas Chapters 1 and 2 elaborated the dialectical method in the abstract, this chapter now seeks to utilise this at the concrete level to excavate where this process of resistance came from, in order to understand all the more clearly where it is going and what its potentialities are. An argument will thus be presented that seeks to situate Oaxaca within the changing global, regional and national dynamics of accumulation.

In exploring the spaces of capital and the spaces of resistance, we have so far outlined an abstract theoretical analysis of the production of space and the role of class struggle in this process (Chapter 2), before moving on to consider the macro-structural changes that have taken place within the global economy (Chapter 3). A discussion of key themes emerging from these chapters, such as the role of the state within capitalist development, the geopolitics of devaluation and the antimonies surrounding the production of spatial scales was then discussed in relation to both regional and national developments (Chapters 4 and 5 and respectively). It is therefore time to extend the concrete level of analysis further through detailed local case studies of the southern Mexican states of Oaxaca and Chiapas, beginning here with Oaxaca. This exploration of the sub-national scale should complete our picture of the production of space and provide us with the tools to understand the dynamics and contradictions inherent in the latest phase of capitalist expansion, as well as offering insights into the alternative geographies that are currently being produced in opposition to this. A focus on specific regional history is also an essential element in the dialectic method as it allows us to explore not only how particular places are incorporated and transformed by an over-arching structure of articulation, but also how these places *themselves produce* this structure, and furthermore how they seek to contest or resist it (Chassen López, 2004: 17; Wolf, 1955: 455). Drawing from, but also deepening Phillip McMichael's (1990, 2000) notion of incorporated comparison, this chapter extends one of the key claims that has been highlighted hitherto, namely the

mutual imbrication of a variety of spatial scales through which capital is currently seeking to produce its spatiality through. Another claim that will be advanced in this chapter and the following one is that, as capital becomes ever more dependent upon creating the new, and extending its logic into space, so too does it become more vulnerable to alternative spaces of resistance.

Through an exploration of spatial production in Oaxaca, this chapter highlights that not only does the process of capitalist expansion unfold in a highly uneven manner, but moreover (as was stressed in Chapter 2) it is *this unevenness itself that induces* the particular manner of (attempted) transformation. Thus, as Patricia Martin (2005) has submitted, one needs to be attentive to the differing topographies of social relations at localised spatial scales if one is to understand the particular trajectories of capitalist development in a wider setting. The same is equally true of resistance to this process. Gerardo Otero (1999: 22) argues succinctly with regard to this: "Peasants in different parts of the world or in different regions within a country... may have diverse structural capacities depending on their distinctive histories and cultures, or the villages or regions where they develop" (on this point see Stephen, 1998). This makes it necessary therefore to examine in detail the composition of social forces at the sub-national level and explain how they relate to wider spatial scales. In doing so we are forced to explicitly spatialise Gramsci's concept of hegemony and explore how it is articulated through a variety of strategies (for a further discussion of this point see Jessop, 2005). By conducting an analysis of the historical sociology of the production of space in Oaxaca, it will be argued we need to develop the concept of 'uneven and combined hegemony' (bringing together the insights of Trotsky, Gramsci and Lefebvre). Consequently, rather than postulating a monolithic 'global' or 'national' hegemonic project (Jessop, 1990: 201-211; Robinson, 2004a, 2008; Hardt and Negri, 2000), this chapter demonstrates how these projects are struggled over and re-negotiated at the local scale. An over-arching project with a particular social logic can thus manifest itself differently in particular contexts, which are dependent upon the social forces within a given place. Thus, in congruence with the approach of David Harvey (1996: 6-9), it will be argued that a consideration of localized conditions can be highly disruptive of social theory. Furthermore it is only through an appreciation of this scale that we can arrive at grounded notions of justice. In contrast to the prevailing aspatial (and thus highly abstract)

approaches to uneven and combined development within the historical sociology of international relations (laid out in Chapter 1), the contribution of this chapter is to give the concept a thorough geographical grounding, that highlights its contemporary relevance, as well as its past significance for both the spaces of capital and the spaces of resistance.

This chapter also forces us to reconsider the agency of political transformation. Through an exploration of struggles to defend place and produce alternative spaces, this chapter challenges the traditional Marxist notion of class struggle whereby developments among the peasantry are subordinated to the struggles of the working class, who necessarily occupy a vanguardist position (Gramsci, 1971: 15; Trotsky, 1930/1962: 61). This exploration of peasant agency also stands in stark contrast to the approach of some recent Marxist-inspired analyses of transformation in Latin America that have put forward the view that developments in the world economy are leading to the disappearance of the peasantry as the forces of global capitalism wrenches them from the land and forces them into proletarianisation (Robinson, 2008).[1] However, as will be highlighted here, this is to take a rather large leap over historical contingency (Block, 2001). This chapter therefore seeks to take a more nuanced approach that recognises this is a process that is far from complete or uncontested. Instead, concurring with Eric Wolf (1955: 462, emphasis added) it is argued that it is extreme folly to "visualise the development of the world market in terms of *continuous and even expansion*, and to suppose therefore that the line of development of particular peasantries always leads from lesser involvement in the market to more involvement."

The chapter is set out as follows. First, the historical space of Oaxaca will be explored in relation to the impact of Spanish colonialism. Following this, the liberal era from Independence to the outbreak of revolution will be examined. Third, the changing space of Oaxaca in the twentieth century will be scrutinised, with a particular focus on how this fits into the Mexican state's hegemonic project of nation-building along the capitalist lines of ISI (analysed separately in the previous chapter). The final section will explore the increasing clash of opposing spatial projects in Oaxaca following Mexico's neoliberal turn, as global capitalism increasingly seeks to expand and transform it in an area for surplus value creation on the one hand, whilst in opposition, subaltern social forces seek to extend the

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[1]For a rebuttal of this point see *inter alia* Morton (2007a), Otero (1999).

spaces of autonomous, democratic participation, based in the state's indigenous traditions and histories of struggle. Understanding how space and place have been created is vital if we are to understand the roots of modern conflict in Oaxaca. In relation to this point Lefebvre (2003: 89) argues: "Synchronic analysis (of the present) does not prohibit a diachronic analysis (a history of space). On the contrary, the latter leads to the former. Morphological analysis presupposes genetic analysis." Examining Oaxaca from the perspective of the *longue durée* therefore allows us to develop in more empirical detail a number of key points. First, drawing upon the arguments laid out in Chapter 2, it will show how shifting modes of production have altered the spatial terrain of Oaxaca. Second, it will highlight the changing interactions of the state with different spatial scales that have altered in their respective levels of influence, conditioning in turn the development of space and place within the region. Lastly, it will underline how processes of resistance have been, and continue to be, hugely significant in shaping the space of Oaxaca.

6.1 Situating the state of Oaxaca

Located in the southwest of Mexico, Oaxaca is a state that encompasses a rich variety of contradictions: It is rugged and geographically isolated, and over the last century has had minimal influence on the national political agenda. It has therefore been aptly described as being both literally and metaphorically peripheral to national life (Clarke, 1992: 153). However, historically with Porfirio Díaz and Benito Juárez, it has produced two statesmen that have profoundly influenced Mexico's transition to modernity. It furthermore remains a tourist 'hot-spot', with thousands flocking each year to see the colonial city of Oaxaca de Juárez, enjoy the indigenous markets and relax on its spectacular beaches. Indeed as will be highlighted, the national state has actively sought to *produce* Oaxaca precisely in this image. Oaxaca is often portrayed as a traditional state, as well as being a bastion of PRI support (owing to the fact it has never elected a state governor not from this party).[2] However, the municipality of Juchitán was the first place in which the PRI experienced a dent in their electoral hegemony with a defeat from a radical leftist-oriented social movement in 1981 (see Campbell *et al.*, 1993). In

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[2]This was finally changed in July 2010 and will be discussed in Chapter 8.

many respects this movement was an important precursor of the formation of the APPO (a position that will be developed as this chapter progresses).
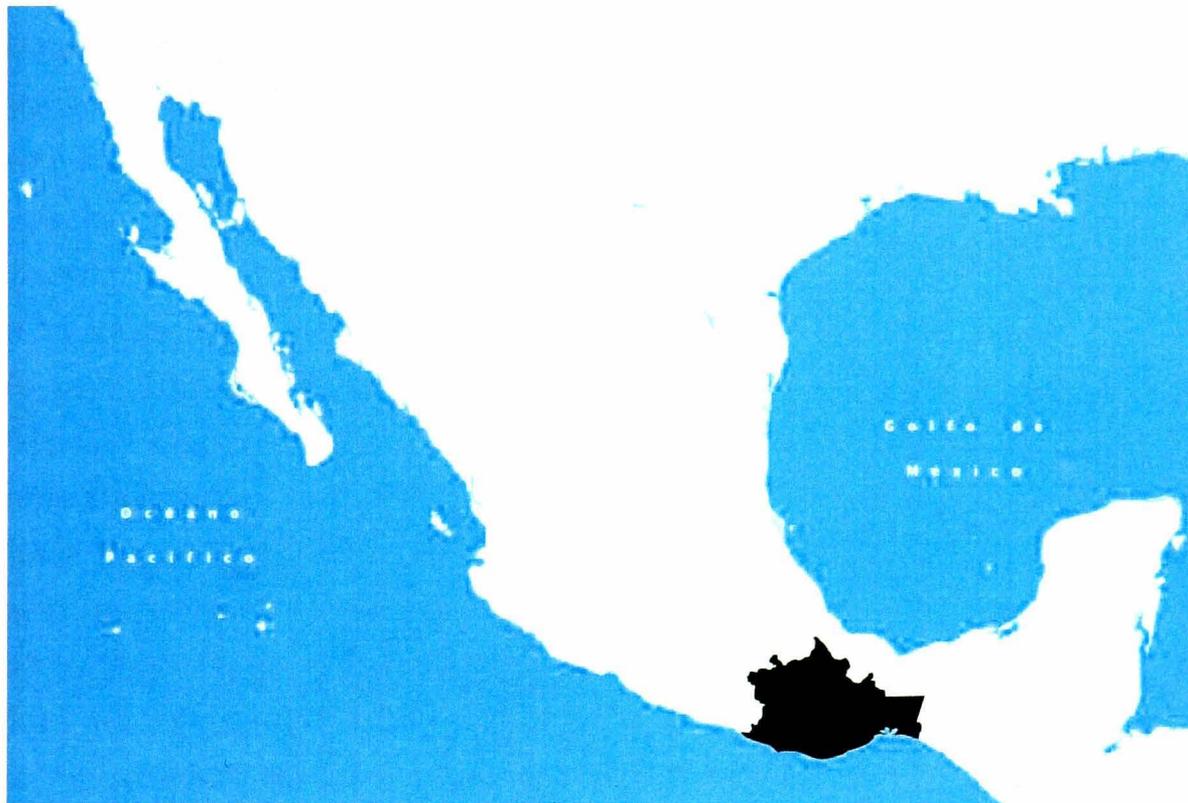
Figure 6.1: Location of Oaxaca in Mexico

According to the *Programa de las Naciones Unidad para el Desarollo* (PNUD, United Nations Development Programme) Oaxaca ranks 31st out of Mexico's 32 states for its Human Development Index (PNUD, 2009: 6). Despite having only 3.4% of the national population however, it contains over a fifth of all the nations' 2438 municipalities, numbering 570 in total. Of these, 412 since 1995 have governed themselves according to their own '*usos y costumbres*' (practices and customs).[3] For these reasons the state has often been portrayed as a backwater, untouched by the hand of modernity (Chassen-López, 2004: 4). However, this is to understand modernity from a highly Eurocentric perspective, as it fails to grasp how so-called traditional and modern societies have mutually conditioned one another (see also Chapter 2 for a discussion of this point) and how these traditions and customs have evolved over time.

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[3]This involves a grounding of politics in the community assembly, from which members are elected to serve *cargos* (burdens) of a period usually up to three years. These are seen less as positions of prestige and more of a community service that people have an obligation to take part in.

As one should be able to infer, the high number of municipalities in Oaxaca did not fall from the sky, nor were they created by chance. Rather they are the result of a long process of struggle for autonomy (Esteva, 2001; Corbett and Whiteford, 1983: 16). The largely indigenous *campesinos* have not simply been victims who have had a new way of life imposed on them, but rather have actively contested and negotiated various hegemonic projects to refine them towards their own needs. As the title of this chapter suggests, although Oaxaca has had a long history of resistance stretching back half a millennium, this should not be taken to imply that this resistance has remained unchanged during this period. To do so would romanticise peasant culture and hold the communities static. As Francie Chassen-L'opez (2004: 343) has argued, this position serves to deny peasants their role as "potential makers of history." Forms of struggle, as we shall see, have been constantly reinvented. As Kiado Cruz (2009: personal interview, Oaxaca), a member of a Zapotec community in the Sierra Norte elaborated with regard to this: "If we did not constantly reinvent forms of life and other things it would not be possible to be a community." We need to therefore examine the context in which these movements of resistance emerged to contest projects that sought to incorporate them into new spatial relations. Let us now then explore the changing historical sociology of space beginning with the colonial era. The purpose of this is to call attention to the way in which property relations evolved in the state, as this not only informs the manner in which capital is seeking to expand there, but also provides the basis for spaces of resistance to forms alternative geographical projects.

6.2 Caciques, cabildo, and community: producing the spaces of colonial Oaxaca

How then do we go about explaining spatial developments in this politically volatile state? Oaxaca has a long history of exceptionalism in terms of its property relations in comparison with other regions of Mexico. The Spanish arrived in the Valley of Oaxaca in 1521 and immediately began altering the spatial practices they found. Recalling the point made in Chapter 2 with regard to colonial representations of space, it was from this gaze that the space of Mexico was

viewed as an unknown territory to be discovered, and the perspective of the Indian was ignored (Bonfil Batalla, 1996: 8-9). The conquistadors' arrival resulted in the indigenous people losing their freedom to the land. Instead, this freedom was converted into a 'right', something that was to be fought for and granted (Cruz, 2009: personal interview, Oaxaca). However, scholars have noted that the Spanish take-over in Oaxaca was far less violent than in other areas of the country. Indeed the conquest that took place has been described as 'spiritual' and 'exploitative' rather than military. In contrast to the destruction and levelling of 'place', and the remaking of space that occurred with the Aztec capital of Tenochtitlán in the Valley of Mexico[4], in Oaxaca pre-existing communal spaces of power were reconfigured by the Spanish crown to serve their primary interest - which was of course the extraction of tribute (Cook and Diskin, 1976: 9; Taylor, 1972: 198). The development of land tenure in Oaxaca, however, stood in contrast to the northern and central states which have often been assumed to be paradigmatic of colonial social property relations. Instead of the hacienda developing to displace communal land, as happened widely elsewhere (as discussed in Chapter 5), "late colonial Oaxaca did not experience a dramatic expansion of Spanish landholdings" (Taylor, 1972: 7-8). This is partly explained by the physical geographical features of the state. As Colin Clarke (1992: 152) explains, the largely mountainous topography of Oaxaca was "inimical to agricultural development of a hacienda or plantation type." The fierceness of native resistance and their determination to hold on to their communal land however was also fundamental to the evolution of this property regime (Murphy and Stepick, 1991: 18, Taylor, 1972: 197). Spanish colonialism thus developed alongside the survival of the native nobility in the form of *cacicazgo* landholdings (noble estates). These local caciques in fact were to play a crucial mediating role for the Spanish crown, and would help facilitate the extraction of tribute (Taylor, 1972: 35-7; Knight, 2002: 14). Recognising what existed already in native practice therefore became a method for transforming it (Wainwright, 2008: 53). This is not to say however, that the experience of colonialism did not affect in any manner

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[4]As Henri Lefebvre (1991: 220-221) notes, monuments or places of symbolic importance are often destroyed by invaders as they offer societies' images of membership or collective memory. This also took place in Oaxaca with regard to religious centres, for example at Mitla where the indigenous site of worship was raised and a Catholic church was built in the areas former ceremonial centre (Murphy and Stepick, 1991: 83).

the pre-existing forms of space. Rather that the spatial terrain was shaped by asymmetrical relations of force with a particular social purpose in mind, that nevertheless was forced to recognise the power of already existing social relations at the community level. Commenting upon this, Bonfil Batalla (1996: 9) argues: "geographical transformations did not take place on an empty landscape. Rather, the changes Europeans introduced affected groups of people with a cultural heritage elaborated over many centuries in the same places, where local adoptions allowed different sorts of responses."

As well as being decimated by diseases brought by the Europeans, some indigenous communities found themselves physically transferred to new locations in what were known as 'civil congregations' (Cline, 1949). The spatial practices of village life were also modified as the Spanish sought to introduce the *Cabildo* (town government) as was used in their own domestic municipalities (Chassen-López, 2004: 286). This conformed to their preference of a "nucleated grid community with a concentrated civil-commercial and religious precinct (the plaza)" (Whitecotton, 1977: 180). This reorganization of space is a classic example of what James Scott (1998: 2) describes as 'seeing like a state', where concentrated power is used to attempt to resettle and render people more legible for a particular social purpose (in this case, easier social control and mobilization of labour and resources). As we shall see throughout this chapter, these efforts to render certain spaces more legible and to make them conform to the demands of a particular mode of production have been a pervasive (albeit differentiated) theme in Oaxacan history, and one which is at the core of modern conflicts. These so called *pueblos de indios* were intended to serve three functions for the Spanish crown; 1) the curtailment of power of the new colonial landholding class, 2) the simpler identification of group units to mobile and extract resources from 3) the creation or enhancement of communal obligations to which labour should be dedicated - this was important due to the loss of labour due to flight and disease (Wolf, 1955: 457). Their creation can thus be thought of as a spatial strategy for the mobilization of social labour under historically specific class conditions. However, owing to the intensity of struggle in Oaxaca a far greater amount of municipalities were created here than in other parts of Mexico in an effort to divide and rule the population more efficiently (Esteva, 2008: personal interview, Oaxaca). By the end of the colonial period the *Cabildo* was a spatial reflection of the clash

of social forces and the contested nature of the regime of power. Although the crown had managed to introduce the civil-religious 'cargo' system, this has been intended as a means of control that was to aid in preserving social peace and the extraction of tribute. This was supposed to be secured through the *comprador* classes in the form of indigenous *caciques*, who were the only ones entitled to hold positions of authority, as well as being the only ones able to participate in the electing of community representatives. However, the power of the *caciques* was gradually eroded by the resistance from the commoners to the abuses that took place. Far from simply being an instrument of control, the *Cabildo* was contested and renegotiated through indigenous class agency to protect and serve community needs (Whitecotton, 1977: 180-191; Frye, 1994: 326). We can see here therefore, the very real dynamics of class strategies for the production of space. As James Scott (1998: 49) elucidates with regard to this issue: "We must keep in mind not only the capacity of state simplifications to transform the world but also the capacity of the society to modify, subvert, block and overturn the categories imposed upon it." Recalling the triad of spatial production (discussed in Chapter 3) it can be seen that there was a clash between spatial practices, spaces of representation and representational spaces. Despite the modifications of spatial practices and the representations of space linked to the particular ideology of the colonial power, this would be subverted by the everyday practices and resistance from the indigenous people who would serve to transform it (Lefebvre, 1991: 33).

From the beginnings of the colonial epoch, the indigenous population was forced to pay tribute through the *encomienda* system whereby the crown granted rights to a particular individual from which they could then claim an amount of particular goods from specified places. Labour could also be demanded from these places in what was known as the *repartamiento*. Tribute in the sixteenth and seventeenth century was collected primarily in-kind rather than in specie (Taylor, 1972: 71). This arrangement led to particular tracts of land being put aside by communities to work collectively in order to fulfil their obligations to the *conquistador*. Recalling the discussion from Chapter 2 with regard to the manner in which social labour is mobilized, we can see that under Spanish colonialism the mode of exploitation was not one that divorced the primary producers from their means of production, but rather sought to requisition both their products

and their labour power (often through the use, or threat, of force). As Waterbury (1975: 420-1) explains in relation to this: "removal of the Indians from their land would have been contrary to the economic interests of the most powerful class in the province: the Spanish merchants". What then were the principal drivers of socio-political relationships?

6.3 Merchants and miners: towards the formation of the Vallistocracia

Murphy and Stepick (1991: 22) argue that up until Mexican independence, Oaxaca had been one of the country's most important economic regions. This fact derived largely from the state's production of cochineal. It was through cochineal - a red dye made from crushed insects that live parasitically on cacti - that Oaxaca would become integrated into the world economy through trade (Knight, 2002: 225). It is claimed that by the early eighteenth century over half of the state's agricultural labourers were devoted to its production (Clarke, 2000). This was undertaken for the most part as a supplement to subsistence production for household or community needs. Owing to this trade, the state became one of Mexico's principal export centres during the second half of the eighteenth century. Commercial development began to take place in the Isthmus of Tehuantepec where both cochineal and cotton were exported in response to the rising demands generated from European textile production that followed in the wake of the industrial development (Tutino, 1993: 51; Waterbury, 1975: 419). These new spatial links led to particular geographical transformations such as the establishment of a more sophisticated port at Santa Cruz, Huatulco, as well as an increase in the number of weaving houses (Murphy and Stepick, 1991: 216).

It is clear that class relationships that were developed or maintained in Oaxaca and in Western Europe were not independent of one another. Cook and Diskin (1976: 10,12) conclude nevertheless, that despite Oaxaca's incorporation into the emerging European capitalist system, this "did not deprive it of its own structure and dynamic embedded in a pre-capitalist mode of production" as "Within the colonized indigenous formation, land and labour remained substantially within the non-commodity or simple-commodity sphere of circulation." However, this

6.3 Merchants and miners: towards the formation of the Vallistocracia

analysis is to ignore not only how these relations were perpetuated by links with the world economy but also how ruling classes came to be formed in the 'new world'. For example the increasing involvement in cash crop production did create increasing internal differentiation within the indigenous communities, whilst creating a powerful merchant elite that numbered around 5% of the population (López Monjardin, 1993: 68; Stepick and Murphy, 1991: 23). This concurs with the findings of previous chapters that have explored the manner in which the development of capitalism - although resonating in various parts of the world - did not lead to universal and evenly felt transformations of property relations but rather instead formed symbioses with diverse already existing relations (Wolf, 1997: 79). This is in fact the hallmark of uneven and combined development.

As discussed above, Oaxaca did not experience the proliferation of powerful haciendas like in central and northern Mexico. Evidence indicates the absence of a strong landholding class, and that conversely large landholdings in the form of estates were often highly mortgaged. In fact the most important landowner in the Valley of Oaxaca was the Catholic Church which was estimated to control a quarter of the valley's productive rural property. The firm control of land by the indigenous people, as well as the litigious perusing of their claims in court, were factors that prevented a stable landed class developing (Taylor, 1972: 160-193; Murphy and Stepick, 1991: 18). In fact, whilst tribute was demanded in-kind and the indigenous population retained the primary means of production, they found themselves in a relatively strong bargaining position. Lacking the material compulsion to enter debt-peonage on what haciendas did exist in Oaxaca, they could therefore command large advances from the *hacendado* due to relative labour shortages (Whitecotton, 1977: 209). The elite class formation that took place was instead built upon merchant and mining wealth rather than the power of *hacendados*.

The change in the Spanish demand for tribute in form of specie however, began to alter the social and economic foundations of community space as people were increasingly drawn into more commercial activities to meet their quotas. The 'cash-nexus' gradually began to function more as a moderator of social relationships, and communal lands were fractured somewhat as peasants were often forced to sell or rent land, as well as trade goods outside of the traditional community setting (Murphy and Stepick, 1991: 22; Whitecotton, 1977: 205). Appraising

the colonial period, Cook and Diskin (1976: 11-12) identify eight key features to the socio-economic formation during this epoch; 1) a system of *cargos* (political posts) dominated by a civil-religious hierarchy 2) often obligatory ceremonial cycle of saints days (*mayordomía*) 3) *tequio* (communal labour service) in each village 4) institutionalized mechanisms for reciprocal exchange (*guelaguetza*) 5) a division of labour manifested in inter-village specialization 6) market places organized cyclically to facilitate trade between communities 7) exploitation of Indian labour in the form of debt peonage and some wage labour 8) a clear division between producers and non-producers.

A perennial problem with the reliance on communal spaces as the basis of wealth extraction however was the same basic problem inherent in all absolutist and feudal societies. There was a lack of any incentive for increased production. Whatever extra was produced by the peasant would be taxed away in tribute. Therefore the social relations of colonial domination reinforced largely subsistence production rather than one based on reinvestment. Communities were governed by the logic of simple reproduction rather than the expanded reproduction characteristic of capitalist accumulation (Wolf, 1955: 454).

6.4 From liberal to revolutionary Oaxaca

Space in Oaxaca, as throughout Mexico, began to be profoundly altered during the liberal era. The advent of independence witnessed a collapse in the export economy of the state. This collapse was intimately linked to the production, or lack of production of space, as the region's poor transportation infrastructure meant that it was susceptible to competition on a world scale if other places could ensure a faster turnover time for products. Competition from Guatemala in cochineal production during the 1820s, and the exploitation by colonial powers of their territories for both cochineal and indigo - India in the British case, Indonesia in the Dutch - would lead to the spatial devaluation of Oaxaca (Tutino, 1993: 53; Clarke, 1996: 268). This again highlights the point raised in the previous chapter with regard to the production of new spatial relations leading to geopolitical competition and the gaining of particular places at the expense of others (Harvey, 2006b: 285). Following this devaluation, Oaxaca reverted back to becoming a regional peasant economy with trade being centred in the capital city (Murphy

and Stepick, 1991: 27).

The two foremost spatial projects of the liberal era throughout the whole of Mexico were to be the creation of infrastructure (regarded at the time by elite classes as synonymous with civilization) and the increasing privatization of property rights (Chassen-López, 2004: 47). It was thought that only through these developments would Mexico be attractive to foreign investors who were needed to transform the country into a modern state. Both the ideology and necessary capital for the liberal project were thus imported and set to work in local conditions. Benito Juárez and Porfirio Díaz can be seen to epitomise the maxim that Henri Lefebvre (1991: 190) would later stress: to change life, it is necessary to change space.

As we saw in Chapter 5, the beginnings of state formation in Mexico took place during this period in the shadow of Western capitalist expansion. Whereas in parts of Europe, liberalism was an 'organic ideology' that developed in conjunction with the rise of capitalism, in Mexico it was an imported ideology that was wielded by elite classes in the attempt to mimic the European road to modernity and impose change (Chassen-López, 2004: 4). Led by Juárez (1858-1872), the liberals came to power determined to transform Mexico from its colonial heritage. This strategy involved breaking up landed estates held by the church and communal property held by indigenous communities which were viewed as impediments to the spread of individual property holdings. Just as the process of privatization and individualization of landholdings was spurred by the Reformation in England during the time of the Stuarts (see Marx, 1867/1974: 675), so too the passage of the *Ley Lerdo* in 1856 which sanctioned the privatization of corporate property, was to provide the instrument "for the theft of the people's land" in much of Mexico (Marx, 1867/1974: 678; Tutino, 1986: 259-262). Although often presented as a merely ideological struggle, the anti-ecclesiastical stance of the liberals should in fact be framed in class-theoretical terms. Post-independence, throughout Mexico there was a battle between conservative forces who supported church power and liberals who wished to reduce it. This must be understood as a class stratagem to control labour and taxes (Benjamin, 1996: 14; Kemper

and Royce, 1979: 271).[5] In this battle for power, private property was thought to be harder to usurp than communal property (Whitecotton, 1977: 221). The destruction of the church's realm of authority was thus a vital antecedent to modern state formation in Mexico. As John Tutino (1993: 53-54) makes clear, "Independence brought a new orientation to state power in Mexico. The national state, including its provisional substances such as Oaxaca increasingly functioned as the agent of aspiring economic elites." The Spanish merchant class "were replaced by a clique of European newcomers, including French, Milanese, British and German entrepreneurs." Aided by state power which acted as a nodal point through which European and American interests were wielded, laws were passed in Oaxaca in favour of privatization. This spurred these new class actors to target areas rich in natural resources (such as the Isthmus of Tehuantepec) as new sites of wealth accumulation. An intriguing case in this regard relates to the state granting a monopoly in the Isthmus over salt beds. Previously these salt beds had been part of the commons. They formed an essential part of the indigenous Zapotec way of life, including their trade with Guatemala. However, while they remained communal, they were 'fiscally illegible' to the state for taxation purposes. Granting a monopoly was thus an attempt to classify and render 'the opaque' transparent (Scott, 1998: 37-39). This granting of a state monopoly aroused fierce resistance from the peasantry who fought to defend their historical access to them (Tutino, 1993: 56-9). Furthermore, it should be noted that this was not an isolated act of resistance. In response to the efforts at privatization of communal lands, rebellions took place in "most of the seven districts of Porfirian Oaxaca" (Chassen-López, 2004: 80).

6.5 Porfirian Oaxaca

As we saw in Chapter 5, foreign capital poured into Mexico during the Porfiriato, in line with the *científico* ideology of the time. Oaxaca was not immune to these changes. Indeed it had its very own *científico* governor in Emilio Pimentel (1902-1911). Porfirio Díaz thus, in both a direct and indirect manner did much

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[5]In his celebrated text *Open Veins of Latin America* Eduardo Galeano (1971/2008: 12) has noted the link between the process of colonial expansion and religious power. However, as Marx (1844/2007: 78) wryly points out, "the gods on their own were never the lords of labour."

to influence the development of his *patria chica* (Overmyer-Valázquez, 2006: 23, 55). The decline of cochineal prices on the world market as well as the aforementioned competition from other regions had led to Oaxaca becoming transformed into a centre for light industry and handicrafts (Kemper and Royce, 1979: 279). Additionally, since 1863 coffee cultivation had replaced cochineal as the most important cash crop of the state. As links grew with foreign businesses anxious to market the product, the increasing emphasis on coffee cultivation acted as a spur to the privatization of land (Chassen-López, 2004: 138, 143). Following national trends, the largest amount of land privatization took place between 1880 and 1910 (Stephen, 1998: 12). During this period, some indigenous communities also privatized their landholdings, although this was generally the result of a strategy for survival rather than an ideological shift towards individualism. However, perhaps the most salient feature to note from this period is that in comparison with other parts of Mexico where the peasants were totally displaced and rendered landless, the peasantry in Oaxaca were able to retain a large proportion of their land. Nevertheless, the process of capital expansion was beginning to make inroads (quite literally) into the region.

Foreign capital was attracted to the state and was utilized both to construct infrastructure and to extract natural resources in the shape of mining industries. In 1876 when Porfirio Díaz assumed power, Oaxaca had no railroads at all. By 1910, it had 1,829 kilometres (Chassen-López, 2004: 48). Railroad construction, as was argued in the previous chapter, cannot be separated from the export-orientation of the Porfiriato, or the uneven and combined development of the world capitalist economy. This expansion of infrastructure highlights the clashing of distinct spatial projects. In the liberal outlook there was little regard for the distinct places of indigenous communities. They would survive therefore only through their stubborn defence. The growth of infrastructure induced spatial development and land speculation in sites of close proximity that saw their value transformed.[6] The Puebla-Oaxaca railway line, completed in 1892 also heralded the beginning of the mining boom in the state, demonstrating again how spaces are produced in tandem with the socio-economic imperative of a particular mode/s of production. The railway line was thought to be the physical symbol of

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[6]One can see the concept of 'exchange-value' is thus set into motion alongside notions of 'use-value'.

Oaxaca's integration into the national state-building project and circuits of global capital. Although insignificant if taken as a percentage of the country's overall mining exports, this 'national gaze' does not tell the whole story, as from a local perspective the mining industry was to rapidly increase the state's linkages with the global economy. Indeed over one hundred companies set up offices in Oaxaca City (Overmyer-Valásquez, 2006: 13). Mining and commerce were to flourish in the state until the outbreak of revolution, heralding the high point of Oaxaca's uneven insertion into the global capitalist system. Importantly, whilst contributing to elite class formation in the state, the proliferation of mining interests did not threaten village lands during this time, but rather was utilized by peasants as a source of wage labour to supplement their subsistence income (Waterbury, 1975: 421-4).

During this time the Isthmus of Tehuantepec was viewed as a key strategic site (over a hundred years later, little has changed as will be discussed later). A long-held dream had existed to build an overland link between the Gulf of Mexico and the Gulf of Tehuantepec, therefore connecting the Atlantic and Pacific Oceans. This would have the potential to dramatically reduce the turnover time for goods travelling between the US and Asia.

After numerous setbacks, this dream was finally achieved in 1907, when English capital in partnership with a Mexican firm completed the Trans-Isthmus Railway line. For a short period, goods from all over the world were transported through this corridor. Ports such as the one at Salina Cruz quickly became centres of commerce, with foreign merchants and representatives flocking to the area, leading to a rapid population increase (Chassen-López, 2004: 229). However, the completion of the Panama Canal in 1914 and the outbreak of revolution in 1910 effectively eroded the value embedded in the physical environment here, and dramatically curtailed the state's geopolitical importance (Martin, 2005: 204; Waterbury, 1975: 424).

Oaxaca City, as the epicentre of trade and thus of ruling class power in the state - was also fundamentally transformed during the Porfiriato. This was done through urban planners' redesign of neighbourhoods, the inculcation of public space (for example street names or public parks) with symbolic importance, and through increased disciplinary techniques to remove socially undesirable people
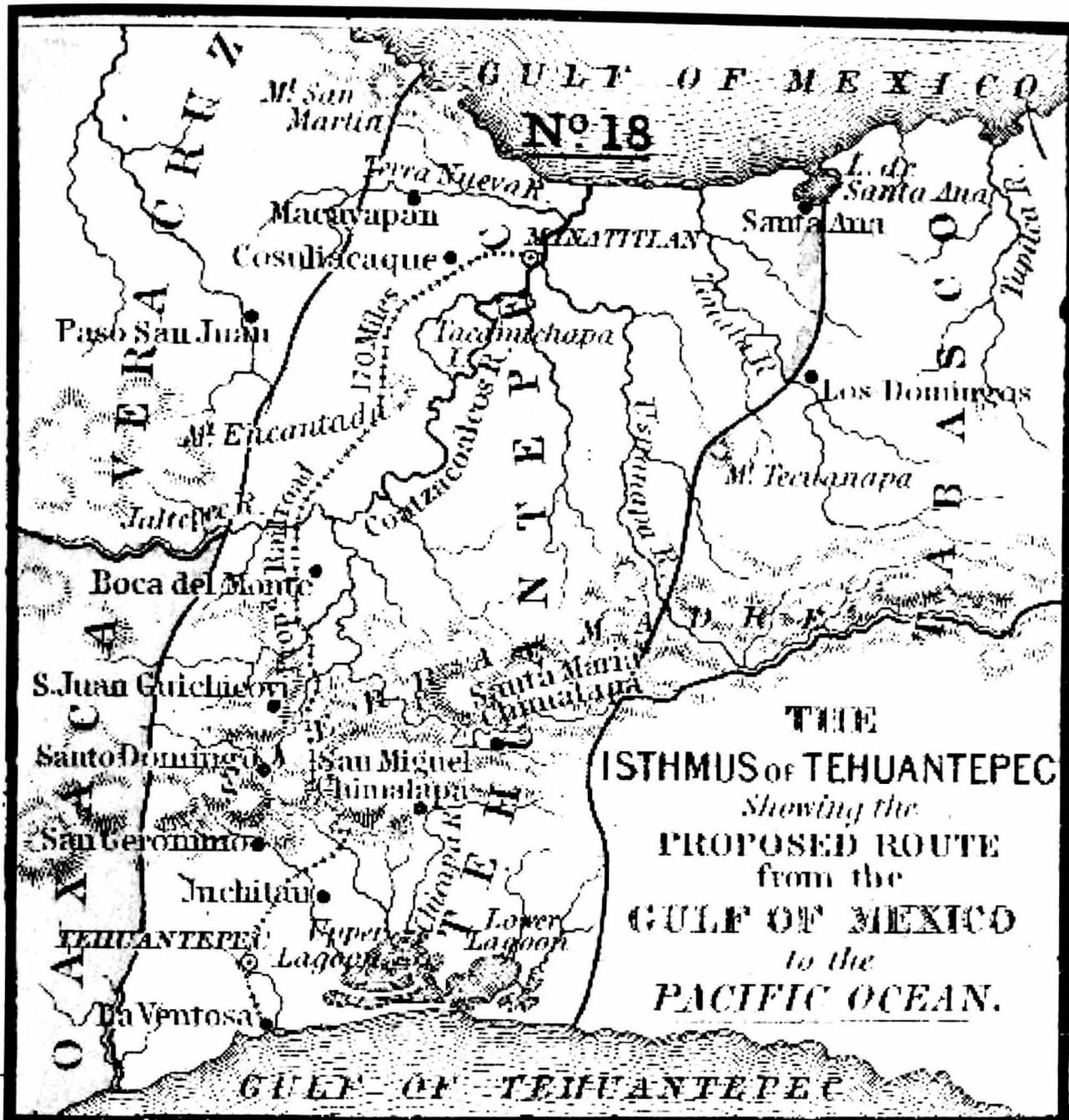
Figure 6.2: The Trans-Isthmus Railway Proposal *(Map courtesy of FCIT)*

(Overmyer-Valásquez, 2006: 40-69). The Vallistocracia[7], who saw their position augmented by the arrival of foreign capitalists with whom they intermarried, reflected their domination though the creation of exclusive private spaces such as country clubs, tennis clubs and theatres in the state capital (Smith, 2009: 29).

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[7]The term *Vallistocracia* has been coined to describe the ruling elite of Oaxaca. It refers to an elite of owners, political classes and organic intellectuals that come largely, although not exclusively from the central valleys (Martínez Vásquez 2007: 27).

Scholars generally are in agreement that liberal privatization and infrastructural developmental projects did not leave land tenure in Oaxaca unaffected. Unquestionably land speculations linked to mining and agrarian capitalism were beginning to make their mark on the state's social relations (Chassen López, 2004: 92; Waterbury, 1975). Despite these changes however, Colin Clarke (2000) concludes that "Oaxaca's peasantries, though undoubtedly dominated socially and politically and exploited economically during the Porfiriato, retained much of their land and maintained their spatial distribution more or less intact." The hegemonic project of the liberals was thus not articulated evenly throughout Mexico, or the state of Oaxaca. This is an important point to note, as it means the process of state formation took place on highly differentiated terrain that did not simply become subsumed by the directives of the centre (see Joseph and Nugent, 1994). Indeed, specific regions of Oaxaca such as Juchitán have been described as centres of "adamant resistance to state power" (Tutino, 1993: 42). This concurs with the critique elaborated in Chapter 1 in relation to those who see the world merely created in capital's image. An exploration of concrete cases such as this one instead reveal the push and pull dynamics involved in capitalist expansion, and the class struggles this provoked. 'Spaces of resistance' have thus been an ongoing feature of the physical and political landscape of Oaxaca.

However, despite the fact that the peasantry of Oaxaca managed to retain a large amount of their lands, it should also be noted that the increasing production of capitalist space would change the environment in which they operated, creating new class relations which they were not immune from. The expansion of infrastructure had in the form of roads, railways and ports led to an increase in the capitalisation of agriculture and the cultivation of new crops (Smith, 2009: 25, 298). As Colin Clarke (1992: 147) summarises, the peasantry became "increasingly differentiated internally because the economic value of what they control is changed by capitalist investment." This issue serves to highlight that whilst 'everyday forms of resistance' may be important for the protection and retention of place (Scott, 1985), it is ultimately a defensive strategy, in which subaltern classes remain susceptible to the activities of the hegemonic groups in wider society who may seek to manipulate the spaces which they occupy for their own ends (Gramsci, 1971: 55). Taking our understanding of capital (as was set out in the preceding chapters) as an expansive mode of production that seeks to subordinate

and transform space in line with its logic of surplus value creation, this implies that at some point, a purely defensive strategy may no longer be adequate, and one must begin to build instead an offensive strategy whereby the "expropriators are expropriated" (Marx, 1867/1974: 715).

Summarising Oaxaca on the eve of revolution, Francie Chassen-López (2004: 178) identifies four types of labour relations in the state; 1) survival of *communeros* 2) the beginning of wage labour alongside the retention of the means of production by the direct producer 3) informal slavery in Tuxtepec and 4) the limited use of debt peonage as compared to central and northern Mexico.

6.6 Post-revolutionary Oaxaca: between local practice and national project

As scholars have noted, owing to the fact the state's peasantry had not experienced the dramatic dispossession that others had, Oaxaca was not a state that was at the forefront of the revolutionary struggles (Waterbury, 1975).[8] However, the outbreak of revolution would nonetheless alter the spatial terrain of Oaxaca. It shattered Oaxaca's links with the wider forces of the global economy (Murphy and Stepick (1991: 27). Mining and coffee industries collapsed, and although coffee would recover to again become the main export commodity of the state, mining has (until recently) remained dormant. These developments however did not fundamentally alter the class structure of Oaxaca. As Benjamin Smith (2009: 32-33) argues:

> The *vallistocracia* may have been trimmed of its exotic imports, its mining and commercial agriculture enterprises left to the malicious militant masses, and its national power delimited, but the Oaxaca City elite maintained extensive commercial, industrial, real estate, and agricultural interests, especially around the state capital.

As has been discussed hitherto, Oaxaca's resources including its labour power had been mobilized for various political projects and under various class con-

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[8]This does not of course mean that there were not parts of the state that didn't engage in revolutionary activity. Communities in the Sierra Norte for example allied with Zapatista struggle against the Carrancistas (Kiado Cruz, 2009: personal interview, Oaxaca).

ditions, of which wage labour was still relatively minor. The region had shifted from being a space that was colonized directly by a foreign power, to one that was colonized by an emergent nation-state on behalf of foreign interests. As we saw, during the Porfiriato, Oaxaca served as a destination that could attract foreign capital due to its natural resources, whilst also serving as an important export centre and tourist destination. The state was thus partially produced as a 'space' of international capital formation. However, it must also not be forgotten that a strong tradition of resistance had remained in the state, resulting the retention of vast tracts of communal land.

Let us now explore how space was transformed with the changing hegemonic project of ISI as was analysed in the previous chapter. The following analysis seeks to show the contradictions described by Henri Lefebvre with regard to state formation under conditions of capitalist development. As discussed in Chapter 3, Lefebvre (1991: 23,11) argued that the twentieth century witnessed a worldwide process of modern state formation in which the state sought to promote itself as the stable centre of a political regime. A particular logic concomitantly came to be imposed as states sought to project their authority across the territory they claimed as their own. However, in order to do this increasing violence was/is necessary to suppress differences and absorb various groups in an overarching project. This, according to Lefebvre leads class struggle to continue in myriad forms (see also, Gramsci, 1971: 57; Harvey, 2003: 145). In complete contrast to the social contract theory of Thomas Hobbes (1985), political society thus existed far in advance of the state form, and the state therefore had to re-imagine community on a different scale (see Anderson, 1991) and seek to absorb these differential spaces to its own logic.

Under the accumulation regime that emerged in Mexico following the revolution, Oaxaca - and the southern Mexican states in general - were not considered vital areas for industrial development. Indeed the lack of industrial development in Oaxaca can be explained usefully in the notion of 'uneven and combined hegemony' alluded to in the introduction. The purpose of this concept is to show how hegemonic projects designed at a particular scale, play out differently at other levels where they are contested and re-articulated within local conditions.

Following the protracted conflict, the newly formed Mexican state was forced to seek ways to secure its legitimacy (e.g. promoting itself as a stable centre),

especially with regard to the recalcitrant elements of the population. As was discussed in the previous chapter, ISI was a classic example of a one-nation hegemonic project in that it sought to mobilise all sectors of society (Jessop, 1990: 211). Land redistribution and industrial development were the key drivers that were to engender wider opportunity within the overall framework of capitalist development. However, as has been illuminated hitherto, Oaxaca possessed a population that was overwhelmingly rural and where indigenous *campesino* lands had not been usurped to the degree they had elsewhere. There was not therefore the same imperative for the national state to create a *new spatial terrain* in order to win support. Consequently, government spending on industrial development was concentrated largely in the central and northern states where the majority of the more contumacious population were located. Oaxaca's geographical location and hostile topography also partially explain the government's lack of efforts to expand industry there. Due to its mountainous terrain, the cost of installing roads and power lines is twice the national average (Corbett and Whiteford, 1983: 16). Furthermore, *indigenismo* began to be promoted within the state to increase its attractiveness as part of the tourist trade (Smith, 2009: 50). The regime of hegemony constructed in Oaxaca, although definitively part of a wider national project was therefore founded in particularly localized conditions. Concurrent with Chassen-López (2004: 427) it can therefore be demonstrated that, "The process of state formation demanded constant negotiations on the local, regional, state and national levels, each in their own particular context but also interconnected."

In the years following the Revolution, Oaxaca was both drawn into, and served to shape, the national state's hegemonic project. Efforts were made to extend the emergent corporatist model of control to Oaxaca. This was done through the creation of the *Confederación de Partidos Socialistas* de Oaxaca (CPSO, Confederation of Socialist Parties of Oaxaca), an umbrella organisation created under Governor Vasquez in 1926, comprising a union of 26 regional parties. No party eventually existed outside of this umbrella and by 1934, it had been subordinated to the national PNR (Smith, 2009: 47). As we saw in the previous chapter, following the Great Depression Mexican leaders sought to create a fully fledged *national* market, based on industrial production, with a stable landholding peasantry in the countryside. Essential to this process of modern state formation was

the break-up of haciendas, described by Eric Wolf (1959: 245) as "ramparts of power in the countryside." Although attracting little industrial development, between 1917 and 1964 almost all areas of Oaxaca experienced land reform of some kind. The only places that didn't were those areas that had managed to hold on to their communal land during the colonial period, the so called ˙*communidades agrarias*' (although at times the state played an important role in confirming their title).[9] However, the manner in which agrarian reform was carried out reflected the politics of state development combined with struggles for local autonomy. For example, land was predominantly redistributed in places which the government sought to increase its tax base such as Tuxtepec and Pochutla. Areas nearest to the state capital were also given priority (so as to maintain control over them) whereas more peripheral areas were left to cacique control. Lastly, protection was offered to landowners in particularly productive zones (Smith, 2009: 58-63, 132). Passive revolution, analysed in the previous chapter with reference to the national level, can also be shown to have had a local articulation in Oaxaca as it was through state-led processes of restructuring that recalcitrant elements were subordinated, subdued or silenced.

Post-revolution, three distinct patterns of land tenure had evolved throughout Mexico; private property, ejidal property and communal property. The development of agrarian property in Oaxaca during this time has been a contradictory process. Despite the efforts of reform, one third of the land remained in private hands. Nevertheless, only Durango and Chihuahua, received more land in the form of redistribution in the period 1900-1992. Furthermore, this process of redistribution created more beneficiaries than in any other state (INEGI, 1994).[10] For reasons such as these Lynn Stephen ((1997: 78), 1998: 23) has claimed that many campesinos in Oaxaca came to have a positive view of the Mexican state, and whilst not acquiescent to it, viewed it as an ally in the struggle against

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[9]These were not, however, an insignificant part of the make-up of property relations in the state. As Lynn Stephen (1998: 13) notes, of the 1200 communidades agrarias that exist in Mexico, 674 are located in Oaxaca.

[10]From 1900 to 1992 Oaxaca received 6,305,324 hectares of land that created 263,396 beneficiaries. Whilst the corresponding figures for Chihuahua are 10,356,642 hectares with 107,115 beneficiaries and for Durango there were 8,593,499 hectares distributed with 121, 635 beneficiaries (INEGI, 1994: 379-380).

elite classes.[11] Again, this shows the interlinking of passive revolution and the production of space.

However, the redistribution of land was far from the only spatial development in Oaxaca during this time. Throughout the period of ISI, resources were increasingly mobilized to serve the new project of building a nationally-oriented market. Under this arrangement parts of Oaxaca came to be utilized as a domestic colony. This confirms the point made in Chapter 2 with regard to the changing nature of statecraft resulting from the imperatives of a different mode of production. Whereas the pre-modern state sought only to bring together dispersed economic activities, the modern capitalist state seeks to use space instrumentally (Lefebvre, 1991: 378). Surveying modern developments, Colin Clarke (1992: 159) highlights that "the role of the federal state, as a modernizing/urbanizing and land redistributing agent, has not only reconstructed Oaxaca's space directly, but facilitated or accelerated peasant differentiation in rural areas, and encouraged capital accumulation in the cities and towns."

More important than the break-up of haciendas for the reconfiguration of space in Oaxaca has been the investment in large-scale infrastructural projects that have acted as key forces propelling capitalization and urbanization. The state was markedly opened up from 1940 onwards by the construction of the Pan-American Highway (Clarke, 1992: 148, 157). Stepick and Murphy (1991: 78) submit that the completion of the highway "literally paved the way for Oaxaca's reintegration with the national economy." Commerce rapidly increased as a result of this (Smith, 2009: 271). As well as providing for the circulation of goods to and from the state it, was also hugely influential in facilitating the rise of tourism in Oaxaca (Kemper and Royce, 1979: 280).

Other large infrastructural projects included the construction of huge dams to provide hydroelectricity and water for irrigation projects, for example the Alemán Dam in Tuxtepec or the Benito Juárez Dam in the Isthmus region, as well the creation of a large oil refinery at Salina Cruz. These projects had important consequences for the class composition of particular places. As during the Porfiriato, these projects could only proceed through the dispossession of people from the

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[11]There is reason to suggest that Stephen's thesis is a over generalised, and is in fact far more applicable to those areas immediately surrounding the Valley of Oaxaca where redistribution was strongest. In contrast, Cook (1984: 76) argued that "a very small proportion of rural Oaxacans, regardless of their class position, accept the ideology of the bourgeois democracy."

land, with the additional result being an increase in land speculation in the surrounding areas. Furthermore, in an effort to recuperate the costs of the projects the government sought to reorient agricultural production to more commercial ends (López Monjardin, 1993: 69-70; Rubin, 1993: 160). Binford and Campbell (1993: 16) explain how class relations were altered by these spatial developments: "Agrarian capitalism, followed by modern industrial capitalism, penetrated the hitherto merchant dominated economy as the government sought to convert the Isthmus into a full-blown development pole."

As will be discussed shortly, this reorganization of space was to produce the 'militantly particularist' social movement *Coalición Obrera Campesina Estudantil del Istmo* (COCEI - Worker-Peasant-Student Coalition of the Isthmus), that in many ways was an important intellectual precursor of the APPO (see Renique, 2007).

Following national trends, Oaxaca has not escaped from the process of urbanization. However, this process is not one that has been driven by industrialization, as elsewhere in Mexico. Indeed, the state still lacks a real industrial base with only textile production, mines, power plants and sugar refineries providing what industrial production there is (Smith, 2009: 52).[12] Rather, state services, commerce, and importantly tourism have engendered this transformation. This is reflected in employment statistics among the urban population with 40% being employed in the services sector, 19% in the commercial sector, and just 7% in the construction sector. Oaxaca however, remains a largely agrarian economy, with 51% of the state's inhabitants employed in the primary sector, 14% in the secondary and a further 34% in the tertiary. The population also remains overwhlemingly impoverished with almost 50% either receiving no salary or less than one minimum salary. One can see the narrow basis of wealth monopolisation and elite class privilege in the fact that just 3.4% of the state's population earn over five minimum salaries (INEGI, 1998: 279-285). Just 57 families are said to dominate business in Oaxaca, owing to their monopoly in consumer durables (Clarke, 2000: 132). The state contributes to just roughly 1% of Mexico's overall industrial manufacturing value. Furthermore, 53% of the population remain rurally based in comparison with the national average of just 24% (http://cuentame.inegi.org.mx).

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[12]According to a World Bank commissioned paper just 13% of Oaxaca's economy is based on manufacturing (Hall and Humphrey, 2003: 17).

The twentieth century witnessed a dramatic population increase in the state. as Figure 6.3 demonstrates.
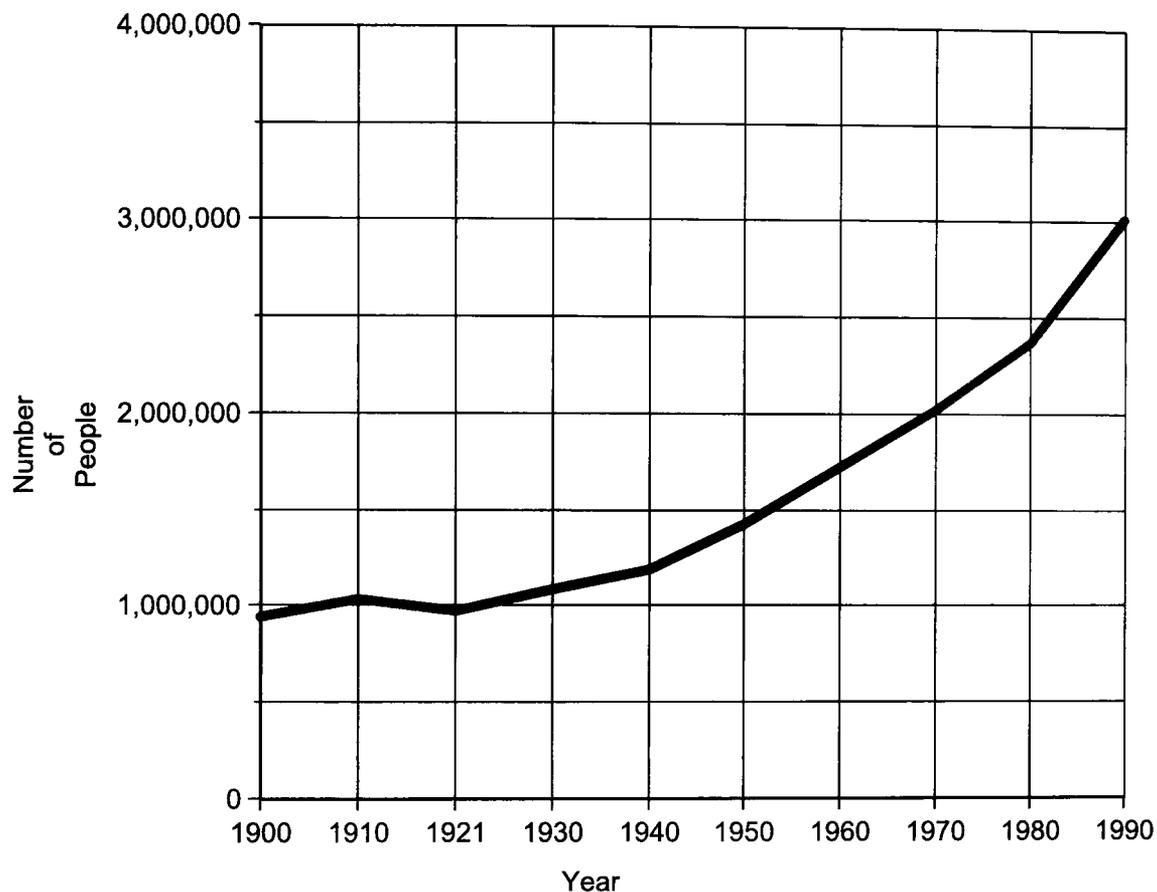
Figure 6.3: Population increase in Oaxaca 1900-1990 *(Source: INEGI, 1994)*

Scott Cook (1984: 62) outlines that generally speaking to possess land in Oaxaca has always meant to be a *minifundista*, with the land base too small to provide support to the whole of a family's labour power or provide for all of their subsistence needs. Unlike in Chiapas however this does not mean the large estates were the corollary of this (as will be argued in the following chapter it was the presence of large estates that would influence the mode of resistance there). Maize cultivation in Oaxaca for example can only provide enough subsistence for around half of the year (Cohen, 2010: 154). The dramatic population increase has placed furthered pressure on peasant communities (as will be seen in the following chapter, the *campesinos* of highland Chiapas have suffered a similar problem). Lacking the endogenous capacities to satisfy their needs, members of the community have increasingly had to look outside of their communities for

opportunities (Clarke, 2000: 109, 139).[13] This demographic change has led to what Jeffrey Cohen (2004: 5) calls a 'culture of migration' in Oaxaca, defined by the author as a pervasive phenomenon grounded in everyday experience. in which migration is seen as a viable strategy for socio-economic advancement. Whilst this migration at the beginning of the twentieth century was largely internal, this shifted to include specific industrial centres under ISI. Migration must also be understood as a response to government policies, as the increased capitalization of agriculture favoured large well-irrigated farms over small family ones that were often denied access to credit and irrigation. With only a miniscule amount of industry to be found in Oaxaca State, Mexico City became a destination to which many sought employment opportunities. Whilst Oaxaca sent workers to the United States during the 'bracero' program, migration to the US has increased sharply since the implementation of the structural adjustment programs and the ending of government protection to domestic industry, with the Mexican economy no longer having the capacity to absorb urban migration as it did in the past (Cohen, 2004: 56-63). This highlights the crucial linkages between hegemonic projects articulated at local, national and global levels, and the contradictions that these spatial scales produce in formulating policy. Paradigmatic in this regard are the contradictions involved in the US government's political response to an increased wave of Latin (mainly Mexican) immigration. On the one hand it must seek to secure the border so as to keep labour firmly in place (and thus spatially differentiated though a reinforcement of a spatial division of labour). This is a precondition for a greater extraction of surplus value and the continuing profitability of the capitalist system. Unlike free trade treaties such as the one negotiated within the EU, the provisions of NAFTA granted free movements across borders only to capital and commodities, not people (Watt, 2010). In this manner illegal immigrant labour comes to serves an important function within other domestic sectors of the US economy. As Robinson (2008: 313-317) notes, it is here the spatial categorisation of citizen/non citizen is used to enforce relations of exploitation, as minimal wages can be paid, with precarious employment status and no legal protection. However, erecting spatial barriers leaves nowhere for

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[13]Following Michael Lebowitz (2003: 35-49) it must be stressed that 'need' is not a static term but rather something that is socially conditioned. Thus the growing needs of Oaxaca's population and the concomitant inability to meet these needs must be situated in the context of capitalist development.

6.6 Post-revolutionary Oaxaca: between local practice and national project

this discontent to escape and raises the spectre of social unrest braking out with unpredictable consequences. The heightened militarization of Mexico under the pretext of the 'war on drugs' is perhaps the logical outcome of such a process (Watt, 2010).

Like much of Mexico, Oaxaca went through a politically tumultuous period during the 1970s and 1980s as ISI, both as an accumulation strategy and hegemonic project, began to stutter. During this time class conflict was manifested in a number of social movements seeking social justice. Land invasions increased markedly as did student activism. The expansion of police powers, intervention of the army and the co-optation of independent organizations were the concomitant responses from the federal state (Martínez Vásquez, 1990; Martin, 2006: 63). Following the 1968 student massacre, a radical student organization known as the *Federación Estudiantil Oaxaqueña* (FEO, Oaxacan Student Federation) emerged in Oaxaca. As well as involving themselves in a high profile campaign to reduce bus fares, they would also ally with the ultimately unsuccessful struggle of the indigenous vendors to resist the relocation of their market from the centre of the city to the periphery - a movement insisted upon by merchants for reasons of 'hygiene' (Clarke, 1996: 273). Other popular movements such as the *Coalición de Obreros, Campesinos y Estudiantes de Oaxaca* (COCEO, Coalition of Workers, Peasants and Students of Oaxaca) also emerged during this period and played a key role in co-ordinating disparate social groups. However, without doubt the most important social movement to emerge in Oaxaca was the COCEI that was founded in 1973. As was mentioned earlier, the COCEI emerged as a political response to the changing class relations in the Isthmus. In particular, the movement was a reaction to transformations in space, specifically the capitalization of agriculture. Land, and access to it and its products were thus at the heart of this conflict. As previously explained, the infrastructural projects in the area such as the dam and irrigation projects had developed in tandem with the needs of the national hegemonic project of seeking to increase the productivity of the land (Lees, 1976: 202-3). It was thought that capital-intensive agriculture would provide cheap food for domestic consumption as well as produce for export (Binford, 1993: 89). This process of commercialization, however, was an assault on "the most elemental conditions of reproduction" of the largely indigenous peasantry (López Monjardin, 1993: 69). COCEI emerged in this atmosphere to defend

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place and local identity. They took part in land invasions, blocked roads, and involved themselves in union organization whilst articulating demands for increased autonomy (Binford and Campell, 1993: 3; Rubin, 1999: 189). The highly localized forms of authoritarianism that had been developed in Juchitán, reliant as it was upon indigenous cacique rule, had resulted in corporate institutions affiliated to the PRI being weak or absent. COCEI thus developed an important social function as a social movement capable of raising class-consciousness in the region (Rubin, 1993: 160-162). They were able to win widespread support from workers and campesinos culminating in their electoral defeat of the PRI in 1981. The national state's response to this was a mixture of reform to outright repression (Rubin, 1999: 182), confirming Gramsci's (1971: 263) definition of the state as "hegemony protected by the armour of coercion."

The struggle led by COCEI in many ways was a direct precursor of the struggles that are now taking place in Oaxaca in that what took place was a distinct clash of spatial projects (in contrast to the clash of civilizations thesis outlined in Chapter 2, the analysis laid out here and in the following chapter will demonstrate how geopolitical conflict can instead be better thought of as a 'clash of spatializations'). On the one hand capital sought to expand into Oaxaca transforming it into space into which accumulation of surplus value could proceed. However, the corollary of this spatial transformation was also the transformation of people and their dispossession from their cultural patrimony (Harvey, 2003: 137-182; Castro-Soto, 2005). This has not been a process that the population of Oaxaca have been willing to uniformly accept. An important factor to note is that radical action has generally arisen in Oaxaca from either those connected to capitalised agricultural production, or from issues related to land use and associated conditions of use (for example the provision of credit, equipment etc). Equally important is the manner in which these movements have gained support of urban-based groups (Cook, 1984: 72). The interlinking of the rural and urban can be explained through the central role of Oaxaca City both as an economic hub and political centre of the state (Smith, 2009: 272). Unlike neighbouring Chiapas, Oaxaca (as was earlier explained) did not experience the proliferation of haciendas, and the few estates that did exist were largely dismantled following the Revolution. This left the capital city as the main symbolic centre of power. For this reason, since the 1940s it has been the symbolic heartland of protest

movements. As Murphy and Stepick (1991: 61) argue, "It is the symbolic locus of Oaxaca's social tensions, the place where groups congregate to confront the government with their underlying discontent with the state's economy and social structure." This will be an important point to bear in mind when we come to consider the APPO, and the nature of social protest in the state from 2006 onwards. It is worth re-emphasising that movements such as these underline the well of experience Oaxaca can draw upon in social struggles against capitalisation in the shadows of authoritarian governance.

The following section seeks to explore how Oaxaca has been affected by the national turn to neoliberalism. Following on from the arguments presented in Chapter 5, it will be demonstrated how Oaxaca has become what Neil Brenner (1997: 280) calls a 'spatial target' for a renewed round of accumulation. If spatial transformation is the intended plan for Oaxaca, this will, following the arguments set out in Chapter 3, be linked to a particular *representation of space*. As Lefebvre (1991: 105) makes clear, ideologies intervene in space in the form of development strategies (see also Chapter 4). It is therefore pertinent to examine the ideologies of groups that seek to influence the area's development. The World Bank's 'Southern States Development Strategy' (Hall and Humphrey, 2003) is perhaps paradigmatic in this regard. Its overarching concern is with the opening of Oaxaca to the vicissitudes of the world market. The report makes it clear that infrastructure must be improved in order to encourage investment. The poor spatial integration of the state's regions leads to higher logistical costs for companies seeking to operate in the area. Limited infrastructure is also highlighted as a problem retarding the potential of tourism in the region. One prominent example in the case of Oaxaca relates to the inability to exploit its beach resorts such as Huatulco in comparison to other places in Mexico like Cancún, due to

the difficulties involved in getting there.[14] Unclear property rights are also said to hinder investment and promote social conflict. The report recommends the reorientation of the economy towards export-based agriculture and production, the latter of which is to be aided by valorising the low wage base of the area. It is clear from this that the history of social/spatial relations in the state are of vital importance in dictating the strategy for accumulation there in that it seeks to draw on Oaxaca's lack of developed capitalist social relations in order to insert it all the more beneficially into the global system (Massey, 1994: 56-57). This is of course nothing other than the logic of uneven and combined development, though which new spatial divisions of labour are attempted to be constructed.

However, this local history is equally salient to informing the alternative spaces of resistance. It will be shown that in contrast to the omnipotent, homogenizing force that neoliberalism is often presented as being: a concrete analysis of Oaxaca reveals its limitations in the face of oppositional subaltern forces. Oaxaca has thus become the site of struggle for survival between two very different spatial projects, both of which seem inimical to each other. On the one hand capital must expand into new areas such as this if it is not to perish (owing to the inherent dynamics as a mode of production, discussed in Chapter 2). However, the conditions of this expansion would consign an alternative way of life to history. It is through this examination of the refusal of capitalist domination that we can also identify a different theorisation of what it means to engage in class struggle.

6.7   Indigenous place versus neoliberal space

It is often assumed that the onset of the debt crisis and the fiscal austerity that followed this was felt evenly both spatially and temporally throughout Mexico.

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[14]Huatulco was one of the five 'integrally planned resorts' created by the *Fondo Nacional de Formento Al Turismo* (FONATUR, Nacional Find for Development Tourism), along with Cancún, Ixtapa, Los Cabos and Loreto. Founded in 1986, Huatulco has thus far failed to meet governmental expectations. However, there are plans to re-launch the areas in a bid to attract over 170,000 additional international tourists a year by 2012. This is to be achieved through greater spatial integration including plans to widen current highways as well as potentially building a new super highway to draw it in into a 'tourist circuit' that includes Oaxaca City. There are also plans to expand the airport and port facilitates, as well as the creating a number of exclusive golf clubs, villas, condos, five star and boutique hotels and shopping malls (http://www.fonatur.gob.mx/en/Des_Huatulco/des-huatulco.asp).

However, whilst as a national trend the country slashed public spending, the state budget for Oaxaca actually increased in a populist effort to relieve social tensions and stop them from spilling over into the 'national agenda'. As Richard Snyder (1999: 314) points out, in 1989, during the governorship of Helaio Ramirez López (1986-1992) the Oaxaca state government actually received more money than it could spend, and was forced to return 3 of the 21 billion pesos it had been given. This highlights again how national concerns can translate into different strategies for maintaining hegemony in accordance with the struggle of social forces in a particular locale (once again giving meaning to the notion of uneven and combined hegemony stressed in the introduction). One cannot assume so-called national order changes are experienced equally throughout the country. A classic example of this is the process of democratization in Mexico, analysed by one scholar as the "quintessence of hegemonic practice designed to frame and condition the institutional context of opposition movements (Morton, 2005: 190). Whilst this may hold true from a perspective that examines solely the 'national scale' we must also be mindful that the process of democratization at the national level that has accompanied the neoliberal reforms has been a far from even process (Gibson, 2005). At the same time as being aware of the importance of wider spatial scales, we must also therefore be wary of adopting a 'centre-centred approach' that ignores the continuation of 'illiberal peripheries' (Snyder, 2001: 101). As Oaxacan sociologist Victor Raul Martínez Vásquez (2007: 16) has argued "it is evident that in some places, like Oaxaca, in recent years not only have the changes seen at the national level not occurred but the characteristics of the old authoritarian regime have been deepened." This was exemplified in the governorships of José Murat (1988-2004) and the present one of Ulises Ruiz Ortiz (2004-2010).[15] It is against the background both of localized authoritarianism and the *attempted* neoliberalization of the nation that we must understand the formation of the APPO, as shall now be explained.

Snyder (1999: 310) identifies three types of subnational authoritarianism.

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[15]As an example of these authoritarian practices, during his five years in office Murat suspended 140 (25%) of Oaxaca's municipalities. This intervention took place largely in urban areas of opposition control (Gibson, 2005: 116). Ulises Ruiz Ortiz has gained even wider infamy for the widespread use of repression and practices of crony capitalism. One high profile target of repression was left leaning Oaxacan daily newspaper *Noticias* that was openly critical of him.

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These are populist, traditional and modernizing. Under ISI, although there were modernizing tendencies, the subnational state would - when it feared losing support - revert back to populism. This however, was a form of populism with distinctly local characteristics. Demographically, Oaxaca is Mexico's most indigenous state with over a third of the population identifying as such. It is also indigenously diverse with 16 separate groups. This fact meant that the local hegemony of the national PRI could be secured in Oaxaca only in compromise with this tradition throughout the ISI period. As Gustavo Esteva (2008: personal interview, Oaxaca) explains, it was realized that governing could only take place in Oaxaca "*with* the indigenous people not *to* them." One can extrapolate from this that the very process of state formation in Mexico took place under conditions of competing visions of citizenship, nation and sovereignty (Chassen-López, 2004: 314). A compromise existed whereby certain demands for autonomous decision making processes were accepted in the communities in exchange for their loyalty to the PRI. As Eisenstadt (2007: 62) explains, under this settlement "votes were harvested by local caciques or chieftains invariably affiliated with the PRI and acting as the communities' interlocutor with the party and the state government (which were fused together as one)." Municipalities in Oaxaca are governed by the *ayuntamiento constitucional*. This contains three branches; the executive, legislative and judiciary, with the main executive power being based in the position of the Municipal President. Under the indigenous practice of *usos y costumbres* (practices and customs), these positions were decided by *cargos*, a communal responsibility that is inherently rank-based, and seen less as something prestige based and more of a communitarian obligation. Under this system of semi-autonomous governance other indigenous practices such as the community assembly (a forum for discussing all pertinent issues as well as a basis to which all cargo holders must submit themselves to) and *tequios* (collective work projects for community needs) were maintained. PRI hegemony within wider society could be continued only so long as the social conditions of peasant reproduction could be assured. However, this has been increasingly threatened with the inroads of capitalist development. As one indigenous community member explained, migration and money have affected the horizontality of the community structure and created hierarchies, which have often formed into centres of power. Returning migrants are at the same time time more reluctant to participate in

tequios or *cargos* or pay for the upkeep of the community (Cruz, 2009: personal interview, Oaxaca).

This threat to community reproduction must be placed within a national context in which peasant agriculture has come under attack. This was further increased after 1992 with the ending of agrarian reform and moves towards neoliberal policies nationally, meaning the already highly marginalized conditions of existence for Oaxacan campesinos have been made even worse.

As has been highlighted hitherto, Oaxaca had experienced heightened social conflict in the 1960s and 1970s. This was to culminate with the declaration of martial law in response to the power of the COCEO in 1977 (Cook, 1984: 73). Muñoz (2005: 594-7) argues that this proliferation of independent popular organizations highlights the PRI's declining legitimacy. At the same time the First International Forum on the Human Rights of Indigenous People held in the state in 1989 is cited as evidence of growing political mobilisation by indigenous actors. The PRI furthermore began to lose municipal elections in the state. An indication of the declining ability of the PRI to maintain their control over the Oaxacan countryside came in 1995 when the state officially recognised the right of the municipalities to choose their authorities based on their own *usos y costumbres* Although as we have seen this had often been the reality for many communities before this time, the significance here was that communities could now elect their own representatives without the mediation of political parties. As was mentioned in the introduction, of Oaxaca's 570 municipalities, 412 opted to use this traditional system which allowed political decisions to be expressed in their own cultural framework. As Luis Hernández Navarro (1999: 159) cogently argues, this was only recognising what existed in practice anyway and moreover was the lesser of two evils for the PRI, as it prevented indigenous communities from uniting electorally under an oppositional party banner. Furthermore, Eisenstadt (2007: 55) points out this legalization followed rapidly on the heels of the Zapatista rebellion (discussed in the next chapter), and thus can be interpreted as a defensive strategy of the Mexican state to prevent a wider escalation of indigenous rebellion and prevent a so-called contagion effect of Zapatismo (Muñoz, 2005: 596). However, in tandem with these reforms was a systematic process of repression. In its efforts to counter the rise of Oaxacan guerrilla movements, particularly the *Ejército Popular Revolucionario* (EPR, Popular Revolutionary

Army) who announced their presence in 1996, the Oaxacan state government, rather than seeking to address the material causes of anger, began a campaign of low intensity warfare against the local population where suspected members were thought to dwell such as Loxicha.[16] As Kristin Norget (2005: 116) astutely observes, the situation of repression there "is just one of the contradictions of the present political and social climate in Mexico, a nation showing the severe contradictions and pains of an unprecedented period of rapid expansion." These examples highlight the point that we need to be mindful of the manner in which local state-level struggles, as well as responses to them, cannot be divorced from developments at wider spatial scales.

Lynn Stephen (1998: 23) has claimed that the national state, for historically specific reasons was viewed in a more positive light in Oaxaca than in neighbouring Chiapas. While reservations were earlier stated as to the validly of this thesis, whatever basis it had in fact, appears now to be seriously waning as the social conditions of the two states have begun to converge, reflecting in many respects the attempted equalisation of the conditions of production (Smith, 2008: 187). This needs to be put into the context of the changing national hegemonic project into which Oaxaca is now increasingly attempted to be drawn into. One particularly salient feature of the new neoliberal turn in Mexico has been that of land reform (or more accurately counter revolution). As described at the end of the previous chapter, the revisions to Article 27 formally ended petitions for land redistribution. However, land reform under Salinas (1988-1994) went even further in decimating the social contract that had been built with the peasants, further evidencing the reorientation of the government's projects and the recomposition of the state's social base (Jessop, 1990: 207; Stanford, 1994: 98; Richard, 2008: 401).[17] As well as ending the government's responsibility to redistribute land, reform also made provision for formerly inalienable ejido land to be rented or sold. Furthermore, although maintaining limits on the maximum amount of

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[16]Following state repression, when soldiers were sent into the community, 500 local residents were arrested after being accused of links with the EPR. 12 men remained imprisoned until 2009, despite widespread irregularities and abuses including well documented allegations of torture. 4 of the 12 were released on July 18th 2009, but 8 political prisoners remain to this day.

[17]This changing emphasis is perfectly summed up by an government official who remarked: "agrarian struggle is over. We are now in a struggle to develop production" (quoted in Stephen, 1998: 27).

land an individual could hold (100 hectares), corporations could now own up to 2500 hectares as long as 25 individuals were associate members in the new venture (Otero, 1999: 47). Despite the rhetoric of support for autonomous ejidal organizations, these communities lacked the resources to compete successfully in the transition to a fully capitalist market. The new discourse of individual rights was thus insensitive to the highly differentiated capacities to enjoy these rights. Recalling the dialectic method where we not only read history backwards but also seek to extrapolate the inherent logic of a system into the future, we can see that full commodification of land in Mexico paves the way for the concentration and centralization of agricultural capital as large capital will always be at an advantage (Marx, 1844/2007: 42-3).[18] The prime motivation for this change in policy was to encourage foreign investment in the agricultural sector, and thus increase productivity in a bid to reorient production in the nation to exportation. As Ita (2006: 158) argues, the agrarian reforms seek to transform the status of land from a social right to a commodity. The ejidal sector was also felt to be an unproductive albatross around the neck of government that was no longer sustainable in the new economic climate. Part of this problem came from the state ownership of the land, meaning ejidatarios had only usufruct rights. This legal status prevented them from using the land as collateral to obtain credit (Hansen, 1971: 82; Stanford, 1994: 100). However, this does not mean ejidos were unproductive, rather than the institutional complex in which they operated was hugely unfavourable, as it favoured large farms (as was discussed in the previous chapter). Thus it must be stressed the decision to attempt to end peasant agriculture does not relate to its 'natural' decline as a mode of production "but rather is a clear case of a planned obsolescence" (Richard, 2008: 396).

Organizations like the World Bank have argued, the illegibility of property rights in the southern states is an impediment to investment and increased prosperity (Hall and Humphrey, 2003). The Mexican government has sought to rectify this through the *Programa de Certificación de Derecho Ejidales y Titulación de Solares Urbanos* (PROCEDE, Program for the Certification of Agrarian Rights). This a supposedly voluntary program into which communities could enter to offi-

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[18]Gerardo Otero (1999: 47) argues that, "The new agricultural policies can thus be expected to promote a new wave of bankruptcies that will forces peasants to sell their land and will expand the reserve army of unemployed workers in the cities."

cially have their lands demarcated and a title granted.[19] Certification of the ejidal land is a pre-condition for the decision to then privatise or rent out the land. Additionally, as in the case of the salt beds discussed earlier, the unclear boundaries of many of the ejidos has made them extremely difficult to levy tax upon. Pisa (1994: 267, 287) sagely interprets revisions to agrarian property rights as an effort to reclaim territory for taxation purposes. This policy need to be therefore placed in the context of evolving state formation.

In contrast to the school of thought that postulates neoliberalism as leading to a decline of the state (Strange, 1996; Radcliffe, 2001: 22), it must be stressed that the introduction of the PROCEDE had the opposite effect, increasing the state's regulation and bureaucratisation of the countryside, involving as it did the creation of three new institutions including; the agrarian attorney general, the national agrarian registry as well as agrarian tribunals (Pisa, 1994: 267, 273). Again then we see the process of 'seeing like a state', only this time with a distinctly capitalist social purpose in mind. As Scott (1998: 51) writes with regard to this,

> Where the premodern state was content with a level of intelligence sufficient to allow it to keep order, extract taxes, and raise armies, the modern state increasingly aspired to 'take in charge' the physical and human resources of a nation and make them more productive. These more positive ends of statecraft required a much greater knowledge of the society.

As a state that has an large rural population, Oaxaca has not been unaffected by these developments, although due to the nature of the different land tenure patterns the affects have been experienced differently here than they were in the highlands of Chiapas (as will be discussed in the next chapter). It is also clear from the argument that has been laid out hitherto that efforts to transform space

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[19]One may question however just how 'voluntary' this project was. Ita (2006: 152) highlights how certificates of entry into PROCEDE were often illegally demanded by local and regional authorities for receiving subsidies and credit. One government program, PROCAMPO, was in fact made dependent on entry into the PROCEDE (Pisa, 1994: 290). Community representatives interviewed by the author also spoke about being tricked into agreement. They also spoke of their ignorance of PROCEDE's ramifications (personal interview with indigenous community members, Oaxaca 2009).

unfold in both a spatially and temporally uneven fashion. However, there is now a consensus among policy planners that the space of Oaxaca must be reshaped in line with those areas in which the state enjoys 'comparative advantage' so as to help increase revenues within the reconfigured national accumulation strategy (discussed in the previous chapter). Practically this translates into the exploitation of the state's low wage base, natural resources and cultural patrimony.

Efforts to reshape the space of Oaxaca are perhaps best encapsulated in Plan Puebla Panama (PPP, now renamed Plan Mesoamerica).For international financial institutions, TNCs and state planners the resource rich area of the Isthmus of Tehuantepec is central to this project. As one APPO advisor from the region clarified, although there are development projects throughout Oaxaca affiliated to this plan, the Isthmus is the area in which the majority of projects are concentrated, due its natural resources including wind energy, hydroelectric dams, and petro-chemicals (Valencia Nuñez, 2009: personal interview, Oaxaca). PPP seeks to transform the space of Oaxaca into part of the southern tourist corridor necessitating the creation of high speed *autopistas* (highways) alongside a new maquiladora industry. There remain ambitions to resurrect the Trans Isthmus Railway as an alternative to the increasingly over-capacitated Panama Canal, meaning huge infrastructural development would have to take place in order to facilitate the necessary increased flow of goods particularly in relation to port capacity (Harvey, 2006c: 209-10). It has been noted by planners that this would remove 2500 miles from the present shipment of goods from the US east to West Coast, and would remove 1000 miles of travel from the US east coast to Asia. In order for this to come to fruition the current spatial configuration of Oaxacan communities would have to be fundamentally altered, as the population is far too fragmented for this to be feasible (Mexicon, 2002: 67). Removing the population from their historical lands will thus be a vital step in this process.

Engendered by the PROCEDE one town in the Isthmus, La Venta is already reaping the whirlwind of capital investment in wind energy (whose main purpose is to provide Wal Mart with renewable electricity to meet their targets on carbon reduction). Lead by Spanish TNC Iberdrola[20], associations have been entered into

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[20]A UN *World Investment Report* (2000: 59) notes that the surge in Spanish TNC acquisition of private companies has been a noted feature of Latin American development since the 1990s. Seven TNCs (including Iberdrola) dominate this process, accounting for the majority of Spanish investment.

with ejidatarios, who have rented out their lands to have wind farms erected on them. The consultation process was heavily criticised as lacking in transparency. as of the 36 ejidatarios who agreed to rent the land only a handful were literate (Davies, 2007; Rojas, 2005). Many have since claimed they were completely unaware of the environmental implications this would bring. Nevertheless, the project has expanded installing thousands of generators on formerly inalienable peasant land. There remains resistance in the area with efforts to annul the contracts. However, even if, as appears likely, they will be unsuccessful in this regard, the conflict this has generated, and the links that have been established with transnational networks such as *Red Latinoamericana contra Represas y por los Ríos sus Comunidades y el Agua* (REDLAR), will be important in informing future struggle in the region. Concurrent with Holloway (2002: 159) then, even in moments of temporary defeat, the very act of insubordination can be expected to leave a residue.

However, whilst this case illustrates the changes the PROCEDE can facilitate. Oaxaca has been far from universally acquiescent. In fact it is the state with the least adoption of the program with only 20.5% of the surface area being certified (Ita, 2006: 155). It is becoming clearer that the historical defence of place and the long struggle against exploitation have provided the collective form of social organization through which capitalism can be resisted. Indeed, it is by virtue of the democratic control of their own communities, that the indigenous population are able to deny capital the right to expand. As Esteva (2009: personal interview, Oaxaca) puts it, the spatial structure of the assembly is both an end and a political tool. One example of this is the opposition to Libramiento Sur, a super-highway project costing 548 million pesos, announced officially by the *Secretaría de Obras Públicas* (SOP, Sectretary of Public Works) and *Caminos y Aeropistas de Oaxaca* (CAO, Roads and Airstrips of Oaxaca) in October 2009 (Noticias. 2010a). This highway intends to dramatically reduce the time it takes to get to the coastal beach resorts of the state (such as Puerto Escondido or Huatulco, discussed earlier). As should be obvious, a development like this can only take place through the production of space and the transformation of places (indeed this is the *raison d'etre*). The PROCEDE lays the conditions where this can be made possible through the alienation or renting of lands. However, Zaachila, one community that is threatened to be directly affected by this highway. has

already begun the process of organizing against the development. A large section of this municipality has allied themselves with the APPO in a bid to widen their struggle and articulate it within a more state wide atmosphere of resistance (again highlighting the point made in Chapter 2 with regard to the importance of movements being able to 'jump scales' and connect to wider issues beyond their immediate locale). Previously a PRI stronghold, a 'failure of power' was acknowledged in the community in 2006 and mayor José Coronel was removed from his post, as the people decided to revert back to using their own *usos y costumbres*, declaring themselves to be an autonomous municipality. In August 2007, the PRI re-took power amidst wide allegation of fraud, yet the community has maintained its fierce resistance to the state, with governor Ulises Ruiz Ortiz (URO) being prevented from entering the municipality after barricades were erected and a violent confrontation took place between PRIistas and APPO supporters. Meanwhile, the authority of the community assembly has been invoked to challenge any potential threats to their lands. The ejidatarios of Zaachila claimed the community assembly has no knowledge of the project, nor does it have the approval of the municipal president (Noticias, 2009). Representatives from the community were highly visible at the Plantón of 2009 and have managed to put their struggle at the forefront of social movement activism in the state as increasing connections are being made to different localised patterns of exploitation. A mantra often heard around the historic Zocólo during the Plantón of 2009 was, "Ruiz entiende, la tierra no se vende" (Ruiz understand, the land is not for sale). At the same time as the project was finally announced officially, the community assembly voted unanimously to reject it, arguing that not only would it cause irreparable damage to agriculture, ecology and water systems of the areas but also that it would provoke the community to stop producing things that have cultural value (Noticias, 2010b). As one ejidatario argued: "It is something more than just a field, it is a feeling we carry inside of us. It is a love of our land" (Noticias, 2010b). This view of land is widely shared among the indigenous population of Oaxaca, and indeed throughout Mexico. This process of resistance can be thought of as an example of what Benjamin Maldonado (2009: personal interview, Oaxaca) calls the "recuperation of the power of the assembly and the fortification of community life." In other words communities are able to draw upon traditions of resistance and collective power that have been developed over

centuries of struggle, which are now used to inform present ones. An indigenous community member from the Sierra Norte (Cruz, 2009: personal interview. Oaxaca) claims that these conflicts are intensifying as laws are closing down ways to officially gain land and little is left to redistribute. He argues therefore that in the context of an expansionary capitalist system, communities defending their land and territory have the potential to form powerful social movements. Indeed, it is this commonality of experience that gives highly place specific movements the ability to 'jump scales' and link to other groups suffering similar experiences. In this case not only was the community of Zaachila able to link with other groups in the state of Oaxaca facing dispossesion, but an alliance was formed with the *Frente del Pueblo en Defensa de La Tierra* (FPDT, People's Front in Defense of the Land) in Atenco. Atenco has been an adherent to the Zapatistas 'Other Campaign (to be discussed in the following chapter), and came to national attention when residents successfully blocked Vicente Fox's plan to construct an airport on their lands, and subsequently announced themselves to be an autonomous municipality. The defence of place therefore does not preclude wider links being forged, rather movements can be Janus-faced being simultaneously both introverted and extroverted (Castree, 2004: 150).

As mentioned earlier, neo-liberal modernizing developments have taken place in Oaxaca under the auspices of highly authoritarian governors. The apogee of this authoritarianism was reached under the governorship of Ulises Ruiz Ortiz (commonly referred to as URO). From the outset of his dubious election (widespread fraud was alleged), his time in office has been characterised by the systematic violation of human rights and heavy use of repression against social protest. Epitomising this was the fact that the state came in last place nationally for both transparency and access to information (Martínez Vásquez, 2007: 19). Adding to this anger was the remodelling of the historical symbols of the city, described as the systematic destruction of the state's natural and historical patrimony that benefited associated cronies (Esteva, 2007: 84). Significantly this included moving a key site of authority - the *Palacio de Gobierno* (Government Palace) - from the Zócolo (the historic centre of social protest). Deborah Poole (2007a: 10-11) highlights the manner in which cultural diversity came to be promoted in Oaxaca as a commodity, and packaged within a framework of individualised rights in a bid to promote the image of the state as a 'traditional'

Figure 6.4: Protestors reveal their opposition to planned super-highway *(Photo by Chris Hesketh, 2009)*

indigenous tourist mecca. Furthermore, in 2004 URO introduced the 'Pact of Oaxaca' which sought to prohibit public protests which were thought to represent a danger to foreign investment (on these points, see also Norget, 2008).

This clash between Oaxaca's deepening authoritarianism with neoliberal features and increased societal demands was most visibly manifested with the formation of the APPO in 2006. On May 22nd for the 26th year in a row, the teachers' union (Section 22) began their annual strike demanding better terms for teachers, as well as students and teaching related issues such as improvement to class room infrastructure. Spatial concerns in fact were prime motives for their struggle in 2006. As they had done the year before, the teachers demanded the re-classification of various part of the state. Citing the pressure of tourism as leading to rising prices, the teachers argued that specific places should be rezoned and higher wages be paid in those areas.[21] In line with this, a series of megamarches were also co-ordinated to protest against the repression endured

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[21]An identical claim had been successfully perused in previous months in neighbouring Chiapas.

under URO. However, in the atmosphere where social protest had effectively been criminalised, rather than listening to the demands of the teachers the government extraordinarily tried to violently dislodge the plantón on June 14. The act of public repression has been described by one observer as signifying "not only a crisis of the government but of the political regime" in Oaxaca (Martínez Vásquez, 2007: 9). Following these events (and seeking to galvanise a wider movement) the teacher convened an assembly on June 20th to which they invited various official groups which they hoped to utilise to support their struggle. However, rather than the twenty or so organizations that had been invited to attend, over 300 civil society organizations arrived armed with a plethora of social grievances (Esteva, 2008: personal interview, Oaxaca). What had begun as a trade union struggle was thus converted into a wider movement of discontent (Esteva, 2007: 80). The authoritarian governorship of URO acted as a centripetal force for all of the state's oppositional social forces. Organized political groups that had been repressed under Murat and URO all came together under the APPO banner including; *el Frente Amplio de Lucha Popular* (FALP), *el Consejo Indígena Popular de Oaxaca* (CIPO), *el Frente Popular Revoluncionario* (FPR), *la Organización Indígena de Derechos Humanos de Oaxaca* (OIDHO), *el Comité Democrático Ciudadano* (CODECI), *el Consejo de Defensa del Pueblo* (CODEP), *la Organización de Pueblos Indígenas Zapoteca* (OPIZ), *el Ayuntamiento Popular de San Blas Atempa* and *Nueva Izquierda de Oaxaca*, as well as an even longer list of civil society organizations (Martínez Vásquez, 2007: 70).

As Stout (2010: 37) argues, "the APPO became a symbol of popular cohesion and a trigger for political change." Thousands of barricades were erected throughout the city in a spontaneous rejection of governmental authority. All official government activities were suspended for five months, as a state of 'ingovernability' was declared. From simply having the plantón taking over public space, new encampments were set up around the headquarters of the legislative power, the municipal palace, the judicial buildings as well as the official house to which the governor has been despatched to in Santa María Coyotepec (Martínez Vásquez, 2007: 80, 89). Human circles were formed around all of the symbols of state power, and public space became forcefully reclaimed in an assertion of what Lefebvre (1986) refers to as the 'right to the city'. Recalling these events, one participant of the barricades describes them as "the moment when the people

from below took their lives in their own hands" (Venegas, 2009: personal interview, Oaxaca). These barricades to defend public space also became the places where for many, political conscious and practical collective action began to be developed. Radio and TV stations were also captured to aid in the propaganda war which the government quickly launched. These became autonomous spaces through which a genuine 'people's news' was broadcast (Norget, 2008; Stout. 2010: 32). This radio station became the most listened to in the city and the central valleys (Martínez Vásquez, 2007: 93).

Whilst not only being about the demands of the teachers, it is clear that the mobilization would not have come about were it not for the struggle of Section 22, a militant wing of the CNTE, itself part of the wider national teachers union SNTE. Historically the teachers have been at the forefront of politicizations and popular mobilization in Oaxaca. Owing to the lack of industry in Oaxaca, the teachers union with 70,000 members approximates the nearest thing Oaxaca has to a class based opposition to the government (Davies, 2009: personal interview, Oaxaca). As Martínez Vásquez (2007: 59) puts it, over the years the teacher's movement has been converted into "a catalyst for inconformity and social protest."

Owing to its spontaneous creation there remained a great deal of confusion as to what the APPO actually was. Esteva (2007: 74) makes it clear however, that rather than an organization the APPO must be thought of as a movement, or movement of movements. Picking up on this theme of plurality, Kristin Norget (2010) argues, despites its amorphous nature it was often presented as a coherent movement. This view is confirmed by those who participated in the mobilisations, who have agreed that "it was not born with clear objectives" (Venegas, 2009: personal interview, Oaxaca). One clear demand was of course that exit of URO. As Esteva (2008: personal interview) says, "this was perhaps the only thing we all had in common." Following a National Forum more general tendencies began to be formed and demands broadened. These included things such as minimum standard of wellbeing, respect for cultural diversity, equality, non-violent resolution to conflicts, a social administration of natural resources, municipal autonomy. multicultural education, the real participation of citizens in political life and sustainable development (Martínez Vásquez, 2007: 98). However, perhaps the most interesting thing about the mobilization has been the unity that was expressed

in spite of its diverse base. The popular chant from the street (still in force as of 2009) was: "*Hombro con hombro, codo con codo, la APPO, la APPO, la APPO somos todos*" (shoulder to shoulder, side by side, we are all the APPO). The movement in other words was a popular explosion of the disenfranchised. Many of the demands that began to be formulated were ones with a long history in Oaxaca, such as teacher's and women's struggles, indigenous rights and demands for increased autonomy. As Poole (2007b) notes: "Although the APPO is in many respects a new type of organisation, its novel form is made possible by its grounding in a familiar language of popular democracy, dissent and *rebeldía*." The emergence of the APPO points us towards the failure of social inclusion in Oaxaca, and the breakdown of representative democracy. The widespread support the teachers received and the anti-authoritarian response it provoked thus has to be placed in the context of the increasing inability of the local government to attend to the demands of the society. The rise of the APPO movement can be interpreted as the absence of hegemony and the increasing turn towards repression (Martínez Vásquez, 2007: 79, for an analysis of this as a trend throughout Latin America see Robinson, 2008: 37).[22]

Analysing the movement, Kristin Norget (2010: 119) makes the argument that whilst Oaxaca has had a long history of rural radicalism, "what made the APPO unique was its *urban, very heterogeneous profile.*" Whilst this is true in relation to the place specific location of the protests, to label the movement as merely an 'urban phenomenon' is to ignore a vital component of the historical sociology of Oaxaca, in terms of both indigenous migration to urban areas and Oaxaca City's role as a central hub for economic activity (as discussed earlier). Gareth Jones (2000: 201) has argued that for reasons such as this it does not makes sense to analyse urban and rural Mexico in distinction from one another. The period of ISI witnessed the 'ruralization' of cities as peasants migrated in search of work during the 1970s, and many Oaxacan peasants continue to seeks part time wage work for periods of the year (Cohen, 2010). More than 40 of the *colonias populares* (popular neighbourhoods) that formed barricades in 2006 came from indigenous communities (Valanica Nuñez, 2009: personal interview, Oaxaca). Furthermore, in relation to Section 22 which was at the forefront of

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[22]As evidence of this point, 2006 represented the first time in which the PRI suffered an overwhelming historical defeat in Oaxaca, losing 9 of 11 electoral districts.

the struggle, Martínez Vásquez (2007: 53, 54) points out that although teachers are often characterized as urban and middle class, "We cannot leave out of recognition that a large number of teachers come from peasant families and indigenous communities." Indigenous community members he argues have not just been important to the composition of section 22 but more fundamentally "in the definition of the organizational strategies, their tactics and their direction." The distinction between rural and urban is thus far from clear in the context of Oaxaca. Furthermore, Norget's analysis is also one that is rather 'frozen in time' as it ignores the manner in which the APPO quickly developed. Since its inception in 2006, there have been efforts to ground it even more firmly in the distinct histories of the state's regional cultural traditions, making it closer to the population and more responsive. At the Constitutive Congress of APPO for example, there were separate APPO representation from the Cañada, Costa, Isthmo, Mixteca, Sierra Norte, Sierra Sur, Tuxtepec, Valle Centrales regions, as well as separate sectors such as traders, artisans, juridicial, students, women, ecclesiastical organizations, trade unions, barricades, prisoners etc.

Since 2006, the struggle of the APPO has broadened and evolved. It is no longer merely about the exit of a governor, but for wider changes to the political system. Moreover, the struggle is specifically transformative rather than defensive, seeking to recuperate public spaces. As one interviewee recounted: "In almost all of the City there are alternative projects of the people. People are looking for options that they didn't look for before 2006" (Valencia Nuñez, 2009: personal interview, Oaxaca). The APPO also has retained a presence among various colonias that have sought to recuperate urban spaces. In some cases former PRI dominated urban areas have been taken over by autonomous committees. These committees collectively decide on what public resources they need and try to organise in a manner to provide public service for the community in the manner of the indigenous tradition (ibid). Additionally there has been the development of various civil society groups who have been inspired by the struggle of the APPO. One such group is *Voces Oaxaqueñas Construyendo Autonomia y Libertad* (VOCAL - Oaxacan Voices Constructing Autonomy and Liberty). This group has been influential in involving itself with campaigns for food sovereignty and alternative energy production. It has also been actively engaged in key struggles within the state, such as the fate of the autonomous community of San Juan

Copola. This community which declared itself autonomous in 2007, has since the beginning of the year been under a paramilitary blockade with tacit government support (see Esteva, 2010). Overall then the APPO has become the inspiration for the formation of anti-authoritarian, socially inclusive and collective model of social movements organisation (Martínez Vásquez, 2007: 72).

Many Oaxacan activists and intellectuals have noted the change in discourse of the teachers union away from their old authoritarian and corrupt practices towards a more inclusive democratic practice that includes efforts to ground popular education in community structures (Davies, Esteva, 2009: personal interviews, Oaxaca). As was documented earlier, there are historic links between urban and rural movements within Oaxaca. These links however are growing ever stronger according one activist (López, 2009: personal interview, Oaxaca). A prominent example of this is the struggle against mining interests. Mexico has, in recent years become a prime site for transnational capital investment in extractive industries. This trend has rekindled mining activity in Oaxaca, as it is an area rich in carbon, silver and gold. There are currently over 22 large mining projects in the state, and as one CODEP activist outlined, each month more and more concessions are being granted by the government (López, 2009: personal interview, Oaxaca). We can thus note clearly the connections between the arrival of transnational capital and agrarian reform (as private companies were previously banned from such associations). One such spatial target for resource extraction has been the municipality of San José del Progreso. This municaplity lies next to the town of Ocotlán in the Central Valleys roughly 20 miles outside of Oaxaca City. As Scott Cook (1984: 73-754) notes, Ocotlán was one of the few places in Oaxaca that proved to be an exception to Waterbury's (1975) thesis of Oaxacan peasants as 'non-revolutionary'. Indeed, due to agrarian struggles against a large hacienda, it has a strong history of activism and independent peasant organisation. The recent experiences of this community perhaps represent what some in Oaxaca are calling the attempted 'economic re-conquest'. Here the government in conjuncture with the municipal president and 10 individuals from the ejido sold thousands of hectares of concessions to a company *Minerales de Oaxaca*, who in turn sold the land to Cuzcatlán, a local affiliate of

Canadian TNC Fortuna Silver.[23] According to an official Fortuna Silver Report (http://www.fortunasilver.com/i/pdf/SanJose-Report.pdf), they have 23 mineral concessions totalling 43, 520 hectares in the region.[24] This has aroused fierce opposition from the community who have protested that the mining project will contaminate water sources and threaten the agricultural basis of community life. As one resident (2009: personal interview, Oaxaca) said, "We can live without gold and silver in our community. We cannot live without land." The community took the decision to blockade the mine and have declared that they will never consent to it reopening. In response to this, the state sent in 1500 troops to smash the blockade. Currently the entrance to the mine is under armed guard, and at the time of writing violent struggle continues. Recently two pro-mine community members were killed, and the local Priest Padre Martin who has supported oppositional struggles, was ambushed and badly beaten.

The residents of the community are under no illusions as to the root of the conflict, declaring it to be "about the ambition of capitalism" (community member 1, 2009: personal interview, Oaxaca). The community are refusing to recognise the authority of the president and are forming alliances with the teachers' movement in order to defend their land. Both the APPO and Section 22 have thus far been highly active in defending the community, and have promised to come to their aid should the government seek to re-open the mine.

This strategy of defending place therefore represents an important aspect of class struggle, in that it is the refusal of the extension of commodification. This does not always entail the articulation of a specifically anti-capitalist discourse. Rather it is about protecting a form of life whose values are in contrast to those of capital, often involving a conscious decision to retain an un-alienated relation with nature.[25] APPO advisor David Venegas (2009: personal interview, Oaxaca) notes that "for some this would be considered petty-bourgeois", but argues conversely that "it must be understood as a radical anti-capitalist act as it undermines the ability of capitalism to expand and extract the earth's natural resources." This

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[23]Fellow Canadian TNC Continuum Resources Ltd previously owned a 16% stake in the mine but have recently been bought out by Fortuna Silver.

[24]A La Jornada report estimates that state-wide there are roughly 600,000 hecatres of mining concessions (Rios, 2009).

[25]One example in this regard is the indigenous tradition of living in harmony within a wider ecosystem of which they view themselves part of. This conflicts to the ideology of capitalism which sees this nature merely as 'natural resources' to be exploited.

Figure 6.5: Community of San José del Progreso *(Photo by Chris Hesketh, 2009)*

Figure 6.6: The disputed mine, currently being guarded by the Federal Preventive Police (PFP) *(Photo by Chris Hesketh, 2009)*

stands in stark contrast to the view of recent theorists of global resistance such as Hardt and Negri (2004: 106) who, although seeking to expand the notion of class struggle have still insisted that the 'multitude' can be defined as those "who work under the rule of capital" and therefore "can refuse its rule." Their view is endorsed by William Robinson (2008), who postulates revolutionary agency as coming from a transnational working class. However, one can see that this notion is still far to reductionist as it does not deal with those who are 'not-yet' prole-tarianised. In other words it seeks to reduce one's capacity for resistance to one particular historical narrative and membership of a particular sociological cate-

Figure 6.7: Residents make clear their feeling with regard to the mine. The photo on the right reads 'URO is selling the country' *(Photos by Chris Hesketh, 2009)*

gory. By contrast, class struggle on the basis discussed hitherto can be related to anyone who refuses to submit to capital's discipline. It is in other words not about an empirical category, or identitarian terminology, but the refusal of exploitation (Holloway, 2008: personal interview). Class struggle should be thought of as a relational concept that becomes defined in terms of political commitment and concrete action. Chapter 3 argued that production had to be understood in a wider sense, beyond simply referring to the production of physical goods, but also concerned with knowledge and social relations. Equally, therefore, we need to understand class struggle in a similarly broader context. As David Harvey (1996: 401) has submitted, struggles become class projects when they entail "a direct challenge to the circulation and accumulation of capital which currently dictates what environmental transformations occur." This conforms to the view of class struggles expressed by Henri Lefebvre (1976: 38-40) who argued that the idea of a homogenous unified social category was false, and instead it was about a question of forming alliances with kindred groups. Class struggle on this basis is a rejection of a productivist ideology, and is instead concerned with reorienting development towards social needs. Local notions of 'place' furthermore are central to these struggles. As was discussed in Chapter 3 this stands in contrast to the view that resistance is defined in terms of an evacuation of place. Having a radical history based on different social relations to those of capitalism provides a basis for the possibility of constructing alternative projects. As Kiado Cruz (2009: personal interview, Oaxaca) put it: "In Oaxaca we have thousands of hectares of communal land... This implies thousands of hectares of resistance."

Communities in Oaxaca are now trying to consolidate and extend these types

of social relations to re-take control of the production of space. The place of the community is increasingly seen as a method of defence, as the social fabric that has been maintained over the years provides a collective form of power over their territory. As Esteva (2008: personal interview, Oaxaca) puts it, "we are resisting by affirming ourselves in place, but at the same time, opening ourselves to others like us, meaning opening, hearts, minds and arms to create wide coalitions of all those others who share the same predicament.

Historically, and continuing to this day, Oaxacan communities remain fragmented, and conflict has been pervasive among them owing to territorial boundary disputes and the control of resources such as water as well as fierce monoethnic identity formation (Stephen, 1997: 77, 84-85). This resulted in individual communities fiercely defending what they perceive as their own land and territory. However, with the increasing threat of displacement, communities are more and more learning to build alliances and share their experiences with one another (as numerous interviews in Oaxaca confirmed). This has been aided with the development of the APPO which has helped provided a forum to bring these movements together. Unlike the Zapatistas (to be analysed in following chapter) the APPO contains a far more diverse array of members and ideas. Furthermore, it is still a movement very much in formation, which contains numerous divisions and splits over ideology and future direction. Some have argued that the failure to oust URO in 2006 and the fundamental split between vertical organisation of Section 22, in contrast to the more horizontal organisation of social movements, left the movement weakened as teachers returned to work and social movements drifted apart (Waterbury, 2007). However, Stout (2010: 37) notes that the election of Azael Santiago Chepi as Secretary General of Section 22 has helped to reinvigorate the APPO struggle. Indeed, the teachers are at present heavily involved in the state's various social struggles. According to Narco News reporter and resident of Oaxaca, Nancy Davies (2009: personal interview, Oaxaca) the new direction of the teachers movement will be crucial to the struggles for social justice, as owing to their large organized presence, they are the only force capable of acting as a counter-weight to the government.

Understanding the manner in which property relations evolved in Mexico with the state acting as the arbiter of agrarian conflict and the agent of redistribution is crucial to understanding the nature of modern resistance movements, as it is

now the state that is acting as the intermediary to grant concessions to TNCs. Whilst the state may have been an ally of some communities, it is now more and more identified as the principal enemy of indigenous communities in Oaxaca (Cruz, 2009: personal interview, Oaxaca). As Scott Cook (1984: 76) has argued, centuries of perceived illegitimate rule has built up in Oaxaca an anti-statist, "deep home-grown anarchism that cross cuts the rural class structure and pervades rural social consciousness."

Oaxaca is clearly an example of a highly global struggle inserted into particularly local conditions. As we saw earlier, autonomy, although a long articulated demand among the peoples of Oaxaca is able to resonate with greater force at particular junctures. It would appear that this is one such juncture. As Martin (2005: 217) argues: "the language of autonomy represents a clear stance both against the strengthened role of the local state and against the large scale development projects promised by national and international neo-liberal agendas."

6.8 Conclusion

Beginning in 2006, there has been a visible break with government authority in Oaxaca. At the forefront of political struggles has been the teachers movement, and the APPO - to which a diverse array of social organizations have expressed an affiliation with or solidarity towards. However, according to Gustavo Esteva (2009: personal interview, Oaxaca) there is a growing split within the movement into two rival factions; those who wish to take part in electoral politics and aspire towards state power on the one hand, and those who base political transformation in grassroots politics on the other. The movement is thus not one that has concretised into a definitive structure. Indeed this remains both its primary strength and its weakness. While it remains horizontal and open it becomes a space into which a variety of struggles are projected. However, it also risks the danger of political impotence if it does not develop further organizational capacities to coordinate the many diverse movements that are emerging in the state. As one resident of San Jose del Progeso stated (2009 person interview, Oaxaca): "we can only fix these problems together." APPO is still not a coherent organized movement. There remains the question of whether it needs to be, or whether it can still remain a mobilising symbol of struggle. There also remains a great deal

of debate over the meaning and scope of the struggle. Oaxacan historian and long time observer of social movements, Benjamin Maldonado (2009: personal interview, Oaxaca) argues that at present, the various conflicts taking place in the state are still not strong enough to generate a coherent unified movement.

It must be remembered however, that the APPO as a political grouping is a relatively new movement (or coming together of a movement of movements). Political conscious and social movements need time to mature, especially ones formed in the background of divided, isolated communities that have had to contend with 70 years of state corporatism. In light of this. Oaxacan intellectual Gustavo Esteva (2009: personal interview, Oaxaca) has submitted that: "APPO has never existed. It is a possibility. It is something being constructed today." Much will depend on the ability of disparate groups to maintain solidarity. Of particular importance is the issue of whether Section 22 will continue to democratise and provide support for the movements without seeking to dominate them, and just how far it is prepared to go in this support. It is clear that the APPO would not have materialized without the strength of the teachers movements. However, many in Oaxaca remain suspicious of the union as they have acted in a vertical manner for many years, and have a history of clientelistic practices. At present however the trend appears to be in the opposite direction. The strength of grassroots organizations seems to be forcing the union into uncharted waters). With the world economy entering a protracted financial crisis, the search for new spaces of capital can be expected to sharpen, along with the state's social conflicts.

One issue of vital importance for the future will relate to the wider alliances the Oaxacan movements will be able to form and sustain. As Gustavo Esteva (2008: personal interview, Oaxaca) recounts, one of the biggest problems with the movement in 2006 was the lack of alliances developed at the national level and beyond. How the Oaxacan struggles engage with the social maelstrom that is emerging in Mexico will therefore be vital to future success. In other words, movements here must seek to 'scale up' their activism, fighting not only place-specific battles but also forging wider spatial links to other centres of resistance.

The future of Oaxaca thus remains open ended. it is clear is that there is a growing level of political consciousness in the state that is increasingly hostile to Oaxaca becoming an increasing 'space of capital', and instead are pursing efforts

to form alternative spaces of resistance. This is being aided by a combination of political graffiti, public speeches, and numerous videographic displays of government repression all of which play a role in the oppositional 'war of position'. There remains the possibility that the age old tactics of divide and rule could be employed by the state, and a new passive revolution could ensue (a theme to be returned to in Chapter 8). However, a more likely scenario at present would seem to be increased militarization and criminalization of social protest, as occurred vividly with the killing of two international peace activists recently who sought to break the paramilitary blockade of San Juan Copola. Whether this sharpens the vertical elements of the movements or strengthens the resolve of grassroots activism, it is too early to tell.

Chapter 7

The Clash of Spatializations: Class Power and the Production of Chiapas

> That comes from afar. When the river rises, it means a flood has been building in the mountains for a long, long time
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> ———————————————
>
> Zepeda, 1995: 203

These words, spoken by a Chiapaneco poet, serve as a metaphor for the Zapatista uprising of 1994. Giving testimony to the protracted process of oppression which the indigenous Mayan people of Chiapas have suffered, the Zapatistas described themselves in the 'First Declaration of the Lacandon Jungle' as "the product of 500 years of struggle" (EZLN, 1994: 13). This chapter seeks to explore this struggle, extending the 'concrete' level of analysis with a second detailed case study that investigates how the spaces of capital have sought to be extended into Chiapas and moreover how spaces of resistance have emerged in response to this.

In terms of their influence on both political theory and the tactics of resistance movements, the Zapatistas have, since their emergence, offered arguably the most important and comprehensive alternative geographical counter-project to neoliberal capitalism. Just as the previous chapter sought to excavate where

resistance movements had come from in Oaxaca, what historical experiences they appealed to that aided or hindered this process, and what was novel about their proposals, so this chapter seeks to do the same with a historical-geographical sociology of Chiapas. Once again, in defence of the long-term perspective that is adopted here, it is worth remembering that the indigenous conception of time in Mexico is circular rather than linear. The past, in other words is not something dead, but rather something that can be returned to, and is appealed to in order to re-imagine the present (Bonfil Batalla 1996: 38).[1] Furthermore, through a detailed historical analysis of exploitation, we are better able to understand its continuation in new forms today (see Marx 1867/1974: 533).

This chapter seeks to explore the manner in which Chiapas was 'produced' in relation to social forces linked to both national and global scales of accumulation. Drawing upon McMichael's (1990, 2000) model of 'incorporated comparison' stressed in the previous chapters, Chiapas should be viewed as a site through which the contradictions of modern capitalist development are manifested (rather than viewing struggles here as simply peripheral, both geographically and theoretically to wider concerns).

Indeed, Chiapas embodies many of the key issues that humanity is forced to confront at the beginning of the 21st century, including race, gender and migration, as well as environmental degradation caused by natural resource extraction. Linking all of these issues is the manner in which the productive system impacts upon them. Questions arise therefore, whether current dominant processes are sustainable politically, socially or ecologically. In this manner we are able to understand concretely the statement of the Zapatistas, made to the 'First International *Encuentro* for Humanity and Against Neoliberalism' (Marcos, 2001: 103, emphasis added):

> Behind our Black Ski Mask
> Behind our armed voice
> Behind our unnameable name
> Behind us, who you see
> Behind us, *we are you*

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[1]This was confirmed by a member of La Realidad's Junta de Buen Gobierno (2009: personal interview) who stated: "We look to our past to create our future."

The importance of the Zapatistas comes not only from their actions and discourse, it also stems in part from their timing. The uprising and subsequent political project of seeking to build autonomous, democratic, and moreover anti-capitalist spaces of decision making, confronted, and rendered problematic, three important theses about transformative politics. The first of these was put forward by Francis Fukuyama (1992) and was concerned with politics on a global scale. As mentioned in Chapter 2, Fukuyama argued that with the fall of the Berlin Wall and the collapse of communism, we (meaning humanity), had reached the 'end of history'. This is not to say time had somehow come to an end, but rather that alternatives to liberal-democratic capitalism had been tried - and were shown to have failed. Liberal-capitalist development was the only feasible alternative. No doubt influenced by these political and intellectual developments, the second important thesis, put forward by Jorge Castañeda (1994) sought to draw out its implications for Latin America. Castañeda claimed that 'leftist utopians' in Latin America were now 'unarmed' and that change would only come about through acting in a reformist manner with the state.

The very much armed uprising of 1994, coinciding as it did with the day the North American Free Trade Agreement (NAFTA) came into affect, radically challenged both of these theses. As John Holloway and Eloína Peláez (1998: 1) put it, the Zapatista's revolt "opens a world that appeared to be closed, gives life to a hope that seemed dead." The rebellion was, of course, informed by the local conditions that pertained in Chiapas (as shall later be demonstrated). However, drawing upon the understanding of uneven and combined development expressed through the multi-scalar analysis of capitalism as set out in the previous chapters, we can also understand Chiapas as a 'produced space' that expresses concomitantly the contradictions of both the Mexican national development project as well as the global capitalist economy (Ceceña and Barreda, 1998: 39; Morton, 2002: 37). Through their questioning of the legitimacy of the Mexican state and its neoliberal project to 'modernise' the nation, the Zapatistas also put into question the social relations upon which capitalism is based. This allowed the rebellion to have a resonance way beyond the boundaries of Chiapas, and Mexico. Drawing upon Neil Smith (1993: 97), the Zapatista's struggle is not, therefore, just about the production of *space* but also a struggle over the production of *scale*, and what level this struggle is to operate at. As has been pointed out, it

has been the Zapatistas ability "to transform what is in effect a local struggle with a particular set of issues onto a completely different scale of analytics and politics that has made the uprising so visible and so politically interesting" (Harvey, 2000: 80). Naomi Klein (2002: 217) thus argues the Zapatistas have been "both specific and universal."

The final thesis that the Zapatistas have challenged is the centrality of the state as the primary locus of political contestation (Holloway, 2002b). As Gustavo Esteva (2008: personal interview, Oaxaca) argues, for much of modernity, the nation-state has been "a specific structure that defines political horizons...In the modern mind the state is *the* political horizon." However, over the last two decades, it has become clear that globalization has undermined the foundations of liberal-democratic politics, as economic forces have moved increasingly through the global scale (as well as the national and local scales). This has rendered problematic the idea of consent and deliberation at a purely national level (see *inter alia* Held, 1993; Tormey, 2004: 41; Robinson, 2003). In the face of this, the Zapatistas have provided the clearest example of how it can be possible to construct an alternative political praxis that 'reinvents revolution' (Holloway and Peláez, 1998). It is for these reasons that the Zapatistas are so central to the key themes of this research, as they not only show how alternative 'spaces of resistance' have been formed in the concrete, they also demonstrate the importance of constructing an alternative politics on a variety of spatial scales. It is from the Zapatistas therefore that we can arrive at what Lefebvre (1991: 4-11) refers to as *connaissance* (knowledge informed by action against power) rather than *savoir* (abstract knowledge concerned with facts and figures).[2] It is vital that theory and action are combined in this manner to produce what Gramsci (1971: 330) would later call 'the philosophy of praxis'. This is at the heart of historical-materialist thinking. As the young Marx (1844/2007: 124) recognised, to defeat the *idea* of capitalism, all that was needed was the *idea* of something else. However, to defeat actual capitalism, actual *action* is required.

The history of Chiapas has been aptly described by one set of scholars as "a chain of multiple yet discrete instances of resource capture and ecological

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[2] A similar difference can be found between the Spanish verbs '*saber*' and '*conocer*'. Although both meaning 'to know', conocer means to know people and place and thus is linked to reflexive and grounded knowledge.

marginalization" (Howard and Homer-Dixon, 1996: 14). By demonstrating how space has historically been transformed from the time of colonialism right the way up to the modern era, we can therefore provide further empirical evidence for the claim (made in theoretical terms in Chapter 2), that spaces are produced and transformed as 'moments' of differing modes of production, transformations which themselves create the shifting terrain upon which spaces of resistance are formed. As the title of the chapter suggests, Chiapas is not posited as having a fixed ontological status (Wainwright, 2008: 5). As has been highlighted throughout the previous chapters, the capitalist mode of production has the specificity of *constantly* having to transform the space in order to respond to the tendency for the rate of profit to fall. Therefore, what we can see in Chiapas is what Bonefeld (2001) has referred to as a *permanent* process of primitive accumulation (see also Amin, 1974: 3). As is obvious, this implies that primitive accumulation remains a constant feature of capitalist development, rather than a historical footnote to its genesis. In a recent restatement of this idea, David Harvey (2003: 145-6, 153) has termed this "accumulation by dispossession". In Harvey's analysis this "entails appropriation and co-optation of pre-existing cultural and social achievements as well as confrontation and supersession." It occurs to "any social formation or territory that is brought or inserts itself into the logic of capitalist development." In other words, through the *savoir* of state planners and intellectuals, capitalism comes to rely on the negation or co-optation of the *connaissance* of existing cultural patterns. However, as Chapter 6 highlighted, this is a far from uncontested process. This chapter is thus equally concerned to look at how this has been resisted and how alternative emancipatory geographies have been formed within the over-arching articulation of capitalist dominance, that have begun to act as a counter-tendency to this phenomenon. The chapter therefore addresses a number of key questions of the overall thesis: namely 1) how does capital seek to transform space and for what end? 2) What is problematic about this? 3) How has this been resisted? 4) What alternative geographies are being formed? and 5) how viable are these as alternatives?

This chapter continues the argument for the relevance of uneven and combined development at a multi-scalar level. It is submitted that we have to look, therefore, not only at the uneven insertion of Mexico into the global economy, but also at the uneven insertion of Chiapas into both the national and global

economy as well. In this manner, places like Chiapas are both the spatial product of uneven and combined development, and also the site where this relation is continually re-produced through new spatial divisions of labour. This reinforces what Neil Smith (2008: 159) refers to as the contradiction between the creation of increasing differentiation of space on the one hand with the equalization of the conditions of production on the other.

This chapter will also lay stress on the notion of uneven and combined hegemony (introduced in the previous chapter). The purpose of this concept is to help explain processes of class and state formation that are differentiated geographically, but formed in symbiosis with an over-arching hegemonic structure (see Wolf 1997; Joseph and Nugent, 1994). This helps to clarify that hegemony should not be thought of as a monolithic process, but rather one in which political formation occurs through negotiation, contestation and complex articulation, but at the same time stays within the boundaries of a specific social logic.

The chapter will be structured around four distinct 'clashes of spatializations', which, whilst dialectically related and overflowing into one another (conforming to the method of incorporated comparison), serve as a useful periodization for the production of space in Chiapas. First, it will examine the 'original' clash between the space of the indigenous communities and that of the Spanish colonisers, as a new matrix of power relations was introduced to Chiapas. Second, the clash that occurred during Mexico's liberal period when labour relations began to be transformed and the national state began to make its presence felt will be detailed. This was to widen into a distinctive clash in the post-revolutionary period of state building, most notably with the process of agrarian reform introduced by Cárdenas and the absorption of Chiapas into the national hegemonic project of ISI, and will be detailed in the third section. The fourth section will analyse the final clash grew out of the contradictions of this regime of accumulation and the attempted means of resolving it via the opening of new spaces of accumulation (discussed in Chapter 5). This clash has taken place principally between the *Ejército Zapatista de Liberación Nacional* (EZLN, Zapatista National Liberation Army) and the Mexican state. This has involved the reclaiming of territory from the state on which alternative, autonomous governing structures have been constructed (spaces of resistance). These clashes, as will now be shown, have entailed long processes of class struggles against dispossession of indigenous people from

their land and cultural patrimony, as well as the alienation of their labour.

7.1 A clash of civilisations or a class of spatialisations?

In one of the most famed books on Mexican history, Guillermo Bonfil Batalla (1996) sought to argue that the last 500 years of Mexican history can best be understood as a 'clash of civilizations' between a native Mesoamerican culture (*México profundo*, or deep Mexico) on the one hand, and a exogenous Western culture on the other (*México imaginario*, imaginary Mexico).[3] According to Bonfil Batalla (1996: xvi), from the time of colonialisation onwards, Mexico has been organised on "the norms, aspirations, and goals of western civilization." As we saw in the previous chapter, for the indigenous people of Mexico this frequently led to a violation of their *connaissance* (or conocimiento) as space was re-oriented to confirm to the *savoir* of the colonisers. However, whilst not seeking to deny the huge importance of cultural negation that colonialism implied (and continues to imply), it will be argued here, that if we do not want to essentialise location and culture, and are serious about examining the possibilities for emancipatory transformation that extend beyond the borders of Mexico (thus avoiding parochialism), this clash is better understood as a clash between evolving class projects that were, by their nature culturally loaded.[4] This involves a dialectic process of de-fetishising fixed categories, leading to further fundamental questions about the constitution of social reality (see Ollman, 2003). For example, once we come to investigate the spatial transformations that have occurred, we are also forced to explore questions of territorial control as well as the resources within that territory, including the population's labour. This leads us then to inquire into the motivations driving this. Here an appeal only to culture becomes

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[3]It is worth noting that the original publication in 1987 of this text preceded the famous statement of a clash of civilizations as applied to world politics more generally by Samuel Huntingdon (1993).

[4]We should be potentially wary of portraying Spanish colonialism as a synonym for 'western' civilization. As Higgins (2004: 35) points out, 500 years of conflict with the Moors gave an idiosyncratic history to Spain in comparison with other parts of Western Europe that has led to a much more intense sense of religious and ethnic superiority which was reflected in the way in which they administered their colonial possessions.

something of a misnomer, as it is doubtful one could identify anything inherent to 'western civilization' that made it seek to conquer other areas and peoples of the world. Once it is admitted, therefore, that these processes are contingent rather than necessary, we must explore what *social processes* are animating and transforming these cultures. It is here that a relational category like class has far more utility. This is in fact tacitly admitted by Bonfil Batalla (1996: xvi) when he writes: "The confrontation does not happen between cultural elements but between social groups that bear them, use them, and develop them." Many of the attributes assigned by Bonfil Batalla to Mesoamerican civilization, in contra distinction to western civilization, can in fact be related to important changes taking place within the mode of production within in these countries (see Chapter 2 for details). Lastly, as Slavoj Žižek (1997) has pointed out, the recognition of cultural pluralism has in fact become a key means for the furtherance of capitalism on a global scale. As will be highlighted later, this has increasingly been the case in Mexico in recent years. We must therefore be wary of appealing to cultural categories without a further questioning of fundamental structural inequalities. This leads us back to the issues raised in Chapters 1 and 2. Namely, as Eric Wolf (1997: 17) has outlined, to examine the processes through which inter-linkages and spatial transformations occur. With these points in mind, let us now consider the historical production of Chiapas, beginning with the colonial period. This will highlight how modern struggles for land and territory have to be rooted within the colonial policy economy (Wainwright, 2008: 51).

7.2 The clash begins: Chiapas in the colonial era

The Spanish began to definitively colonise Chiapas in 1528, led by Diego de Mazariegos. An attempt had been made to subdue the region four years earlier, but this had been repelled by the fierceness of native resistance. Even now, the control the Spaniards were able to establish was "partial and contested" (Knight, 2002: 4). Prior to this intervention, Chiapas existed in a multiplicity of 'ethnic states' with their own territorial boundaries and distinct environments, governed by the local nobility. It was thereafter incorporated into the colonial administra-

tion of Guatemala, and divided into encomiendas, the most desirable of which were located in the more densely populated central Highlands (Markman, 1984: 47). Although Chiapas did not possess important mineral wealth or gems comparable with other states, it did possess other important primary commodities such as cacao, cotton, wood and dye-stuffs, as well as being a region of fertile land. It was from these materials that the colonists sought to enrich themselves through the insertion of the area into the circuits of the global economy, as well as the setting up of unequal relations of exchange within a local mercantile economy (Wasserstrom, 1983: 9-11; Viqueria, 1994; Ceceña and Barreda, 1998: 40). It is clear that there existed a system of domination that entailed the compulsion of labour in order to provide tribute before the Spanish arrived. However, this tribute neither involved a wholesale transformation of productive systems or a process of cultural negation based upon racial superiority (Bonfil Batalla 1996: 71-74). Originally in fact, the productive systems of Chiapas were not radically altered to begin with; they were simply re-oriented to serve new beneficiaries. However, it was soon found that the traditional markets did not offer large enough scope for enrichment, and thus they were modified, with new crops being put into cultivation and new industries developed, which brought with it a change in productive techniques and spatial practices (Wasserstrom 1983: 12-13, Markman 1984: 46). The experience of colonialism absolutely devastated the indigenous population causing a 50% decline in their numbers by 1570 (Harvey 1998: 38). As the region's cheap labour was one of its most important commodities, this led to population re-settlements into areas where they could be the most productive for the system. This necessitated a reorganization of space, as sparsely populated villages were drawn into urban centres. Soconusco, for example became the location of much of the state's plantation, export-oriented agriculture in products such as indigo, cacao and sugar. However, it was thinly populated and thus required inducements such as the reduction of tribute payments in order to move the labour force there (Markman 1984: 47; Collier and Quaratiello, 1994: 19). The early experience of Spanish colonialism in Chiapas however, was not entirely successful in terms of profit maximisation with settlers experiencing difficulty with credit, high transportation costs and a precarious labour supply, as well as the continuation of indigenous resistance (Wasserstrom 1983: 38).

Viqueria (1994: 239) argues that it was between 1670 and 1690 that the

original mechanisms were established to ensure tribute payment. As frequently inhered with colonial powers, to guarantee a subservient population it was felt necessary to destroy their cultural fabric. This involved interfering with local marriage patterns, with noble lineages forced to intermarry with 'inferior' lineages thus discrediting their prestige. *Caciques* (local political bosses) were also installed and removed as colonial interest dictated (Wasserstrom 1983: 19). As these examples highlight, issues of cultural negation cannot be understood without due consideration of the social purpose of such actions, which in turn cannot be divorced from class projects to control labour and resources.

As was the case with almost all areas colonised by the Spanish, the encomienda and repartimiento served as the dominant institutions of economic exploitation. Unlike Oaxaca which managed to retain much of its traditional political authority (see Chapter 6), in Chiapas it was decimated. From 1680-1720 there was an increased period of productive development in the region, evidenced by spatial transformations including a direct opening between Campeche and Guatemala which intended to break down the isolation of distinct regions and increase commercial activity between them (Viquiera 1994: 240). Between the mid-seventeenth and eighteenth century, Indian townships were set up with a particular division of labour and speciality in mind that the Spanish sought to exploit in order to obtain the maximum amount of tribute. The production of space through the specialization of place helped create identity formation (Collier 1994: 20). This clearly was a class strategy that not only intended to mobilize indigenous labour as efficiently as possible, but also sought to create networks of dependency and prevent a more collective consciousness from forming in favour of a fragmented localized one (in other words it was an attempt to scale down resistance).

Elite class conflict took place during this time between those who took part in overseeing royal offices (*alcades mayores*), and thus could profit from their position, and landowners and merchants on the other hand who only held minor offices but acted as suppliers and agents in economic transactions (Wasserstrom 1983: 46). Church power also competed for wealth in the region, as religious authorities regarded ostentation as a sign of devotion (Wassterstrom 1983: 27). As well as elite conflict there was continued resistance by the indigenous population who fought against their subjection by escaping from the towns they had been

forced to congregate in. As Markman (1984: 47-48), explains a tension existed between the forces of concentration and the forces of dispersion, that was not simply based upon a desire to escape the harsh labour conditions, but was more fundamentally linked to indigenous cosmology about their relation with land. This has to be read therefore as the clash between the negations of indigenous *connaissance* and the imposition of the colonizers *savoir*. The Spanish believed that the concentration of populations around a fixed, stable centre was the only rational and efficient way to organise a productive system. However, this was totally at odds with the indigenous *connaissance*, which based production on the *Milpa* system of shifting agricultural production from place to place along with the residence of the farmer in a nomadic fashion, in order to maintain harmony with the environment.

Chiapas also witnessed numerous large scale rebellions, most notably in 1712 and 1848. On each occasion the rebellions were precipitated by the increasing levels of exploitation and inability of indigenous communities to ensure their own social reproduction. During the rebellion of 1712 the indigenous population sought to contest colonial relations of power by inverting them. The attestation of miracles led to symbols of Christianity being appropriated and combined with older indigenous beliefs to justify political practices that sought to rid themselves of colonial dominance (Viqueria 1994: 256). This rebellion, which included 32 communities, was said to be one of the most serious to shake the colony as "it included a thorough rejection of the colonial order, not least the church" (Knight, 2002: 148). However, the rebellion failed to lessen economic exploitation and social injustice, which in fact became even more intense (Wassterstrom 1983: 87). Although indigenous people often retained land in Chiapas, extractions in the forms of tribute, forced labour and other feudal conditions had become increasingly onerous. This had necessitated the gradual changing of work patterns with migratory labour on haciendas, plantations and religious properties being necessary in certain cases to meet the demands of tribute that was demanded in cash from certain geographical areas (Viqueria 1994: 246). With a rapidly declining population owing to disease and famine, the same demands were placed upon a smaller number of people. "A dwindling population thus had to serve a growing parasitic elite" (Knight, 2002: 147). One spatial response to these developments was that many indigenous people abandoned their towns and sought

to colonise new areas such as the Selva Lacondona (flight) rather than petition the crown for their rights (fight) (Wasserstrom 1983: 89).

7.3 Between local autonomy and national politics: the formation of La Familia Chiapaneca

By the early nineteenth century the economic order had evolved. Although the indigenous population had not necessarily been disposed of their lands, the wider socio-economic matrix which they engaged with had led to the transformations of communities, with traditional economic activities being abandoned. While direct coercion did remain (and would do for some time), it inhered less frequently, with social labour being mobilized through both tenancy agreements and wages (Wasserstrom 1983: 64-66, 104). Payment, however, was frequently made in-kind with goods from landowners stores (*Tiendas de Raya*) which were over-supplied so as to ensure a continuing debt obligation (Higgins, 2004: 83). Chiapas had been the subject of a long struggle between Guatemala (who officially administered it) and Mexico (who it was formally subject to). Following independence from Spain, Chiapas became incorporated into Mexico in 1824. As Benjamin (1996: 6-7) notes, independence from Spain should not necessarily be interpreted as a radical moment. In fact, within Mexico it was something of a conservative reaction to the liberal changes that were taking place in Spain (for example the restriction of the privilege of the Catholic church). Independence was, in the first instance, inspired by the desire to protect Mexico from these 'radical' tendencies.

Furthermore, following independence the colonial structure of economic exploitation was not fundamentally altered, simply re-oriented to serve new masters (Bonfil Batalla 1996: xvi). The native elites of Chiapas favoured incorporation into Mexico for a variety of reasons linked to their class position. Not only were commercial links more important with Mexico than with Guatemala, but it was felt that royalist tendencies were stronger in Mexico and thus their interests would be better defended. Lastly, being on the periphery of the Mexican state meant a large degree of regional autonomy could be preserved, something that was highly prized among the local ruling elite (Benjamin 1996: 7-8; Harvey 1998: 43).

Indeed, due to the weakness of the national state, as well as the region's

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geographical location, Chiapas enjoyed a large degree of autonomy during the nineteenth century prior to the rule of Porfirio Díaz. However, this is not to say important changes did not occur. During the liberal period the old encomienda was reformed until it morphed into the hacienda of the 18th century (Higgins, 2004: 42). Owing to the bankruptcy of the national state, after 1826 a new round of primitive accumulation took place in earnest in Chiapas as the government encouraged landowners to denounce and entitle communal property, in a bid to increase productive commercial activity and therefore boost state revenues (Wassterstom 1983: 110). Those Indians in the highlands that remained on their traditional lands were often transformed into tenants and forced to give up labour services (*baldiaje*) for a certain period of time each week if they wanted to remain there (Rus, 2003: 262). This tight control of territory by landlords had resulted in one third of highland Indians becoming *baldíos*. In many cases this prompted migration to lowland ranches by indigenous peasants to work as either a sharecropper or peon (*mozo*) which was viewed as a preferable form of exploitation. The eventual outcome of these developments was an increase in landlessness and a tightly prescribed social structure with limited capacity for innovation and development (Wasserstrom 1983: 119).

There was also a reciprocal interaction between the increasing power of the old landlord class and caciques in the highlands, who through their control of lands became labour recruiters for the expansion of agricultural plantations in the lowlands (Rus, 1995: 73). The importance of space and territoriality was reflected in the development of patrilineages as kinship increased in significance owing to the need to show a connection with the title holder of land (Wasserstrom 1983: 141). The dispossession of the indigenous population from their lands in Chiapas did not, however, lead to the development of 'free labour' as recounted in the classic model of primitive accumulation (Marx 1867/1974: 667-670). Rather it had led to the creation of an indigenous migratory workforce in plantations like Soconusco or lumber camps in the *Selva Lacondona* under conditions of debt peonage (Harvey 1998: 49). Pre-capitalist relations thus persisted in Chiapas, with things largely being produced *in space* rather than continuous spatial production becoming an essential component of the political economy. Once again we can highlight the point made by Eric Wolf (1997: 79) with regard to the ability of the capitalist mode of production to "enter into working arrangements with other

modes; siphoning off wealth and people and turning them into capital and labour power" and furthermore its ability to form "temporary and shifting symbiosis and competition with other modes." Uneven and combined development was clearly taking place through Chiapas. Like elsewhere, it was geo-political competition expressed through both the national state and at a local level that would provide the impetus for the further transformation of social relations.

The liberal period saw the growth of an entrepreneurial class of landowners in the lowlands of Chiapas. This led to a furtherance of elite class conflict in the state between lowland liberals and highland conservatives. Agricultural production had expanded rapidly in Chiapas after 1832, especially in the areas of cattle ranching and sugar production. However, by far the most important commercial products were cotton and coffee (Wasserstrom 1983: 111-2). It was thus international demand for these commodities that began to transform Chiapas. Summarising the labour relations that took place during this period Thomas Benjamin (1996: 5) writes that "The wealth of Chiapas was squeezed from the native population in the form of tribute, tithes, forced labour and forced sales of merchandise for the benefit of a small circle of royal officials, prominent settlers and enterprising friars."

The battle between conservatives and liberals that took place in Mexico during the 19th century was mirrored in Chiapas between the oligarchy of the central highlands (who were generally conservative) and the landowners of the central valley (who were generally liberals). This was essentially a divide between old and emerging power (Higgins, 2004: 84-85). Whilst new centres of economic power were growing, these had not yet translated into political power, which was still dominated by a handful of caciques who served as intermediaries of the Porfirian state (Harvey 1998: 44). The control of space was a central component of state formation during this time. However, this was very much formed in tandem with the demands of western capital that was attracted to Chiapas for its cheap labour costs, but remained anxious about the supply of this labour. In a bid to reassure them, a vagrancy law was passed in 1880. This required that the indigenous population remain active during specific parts of the year. In addition increased head taxes were levied on households (Wasserstrom 1983: 115). These measures were designed to exert compulsion over Indian labour. The spaces of indigenous community thus became a method for controlling the

population (on the issue of spatial production for social control see Lefebvre 1991: 26). The *Ayuntamiento* (town council) became responsible for tax collection, and *jefaturas políticas* appointed *ladino* agents to every village to oversee this process. Furthermore, both workers and their debt obligations were registered with the government in order to tie labourers to a particular locale and prevent them from fleeing. In cases where workers did take up new residence, the *jefatura política* had to be informed by the landowners and records kept of this (Rus. 2003: 265). This again highlights the point made in the previous chapter with regard to efforts by the state to simplify and render legible populations it seeks to control (Scott, 1998). This is another example therefore of what Joseph and Nugent (1994) refer to as processes of 'everyday state formation', but it would not be until after the Revolution that one would see an everyday formation of what Lefebvre (1975/2009: 106-120, 129-30) refers to as the 'state mode of production' (see Chapters 3 and 4).

As was the case with Oaxaca, the experience of Porfirian state building was to have important effects on Chiapas. During this time, an informal system of patronage brought the periphery under control of the centre (Benjamin 1996: 21). During the Porfiriato, Chiapas experienced profound uneven development with the central lowlands and the coastal zones experiencing the most pronounced investment and infrastructural change, due to the fact they were the most productive agricultural zones (Higgins, 2004: 116). During the 1870s and 1880s Chiapas began to be divided into zones of influence (Benjamin 1996: 22). Surveying the situation, Wasserstrom (1983: 116) writes that ,"expanding national and international markets had divided the state into a series of economic zones in which one or two commercial crops set the pace of life for hacienda workers and Indian villagers alike." One key region of exploitation was the Selva Lacondona. Here European firms set up logging businesses, transforming Chiapan nature into 'natural resources' which could be commodified and sold on the world market. As Collier (1994: 24-25) notes, this process was controlled by Europeans for the benefit of (some) Europeans. It contributed little to either Chiapas or Mexico as a nation in terms of investment, infrastructure, or skills upgrades.

One can see the difference in the type of economy and varying success of indigenous resistance if the number of municipalities in Oaxaca and Chiapas are compared. Whereas the fierceness of Oaxacan resistance led to the division of the

state into 570 municipalities in order to better divide and rule the population, in Chiapas the corresponding figure was just 118, which includes Ocosingo, the largest municipality in Mexico. This spatial organization demonstrates the far greater power of landowners in Chiapas, as well as highlighting how the regional economies evolved on a different basis with plantation agriculture and enclave economies being far more prominent in Chiapas, whereas mining interests dominated in Oaxaca. Both however were produced in relation to the demands of the international economy.

The lack of roads in Chiapas presented a major impediment to further economic expansion. However, new road building projects began to take place under the governorship of Emilio Rabasa (1891-95), including the first highway that connected Chiapas with Oaxaca. This would serve to increase the links between Chiapas and the rest of the Mexican economy and helped propel a boom in commercial agriculture (Benjamin 1996: 48). Prior to this development of road building projects, indigenous labourers, known as *cargadores*, had carried products across trails or paths. However, these developments were deeply resented by highland elites who saw spatial integration as a means of undermining their privileged domain of power, which was predicated on their control of indigenous labour as well as their investment in land and loans which they feared becoming worthless should Indian labour be 'freed' (Rus, 2003: 274-7).[5] One can see therefore an emerging clash of spatializations, as one group sought to retain their traditional territorial control, whilst an emerging group saw the necessity of transforming space to increase their profits This was thus a form of geo-political conflict, understood in the wider sense of the term, as elaborated in Chapter 2.

Road building did have the effect of massively increasing foreign investment in areas such as hardwoods, rubber, sugar cane, cacao and notably coffee. Whereas European capital (particularly German) had dominated foreign investment in Chiapas previously, the second wave in the 1890s and 1900s was dominated by the US and focused on the enclave economies of Soconusco (1.2 million pesos) and Palenque (1.6 million pesos). It is important to point out that although foreign investment increased and spurred the commercialization of agriculture, this did not take place through capitalist social relations whereby social labour

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[5]As Bobrow-Strain (2007: 65) notes, the state governor in 1898 was offered a 30,000 peso bribe to cancel the planned road that would connect fincas with remote markets and ports.

was mobilized without extra-economic coercion (Benjamin 1996: 33, 85, 25).

Spatial transformations in Chiapas were also induced through geo-political competition, understood in the more traditional sense, between Mexico and Guatemala. The Guatemalan government had, in this time, constructed a railway from the west coast to the Atlantic Ocean. Fearing succession of the region's plantations, the Mexican state sought to integrate them more firmly into the national economy through their own railway network which connected western and central Chiapas to the heart of the nation. The construction of the Panamerican railway facilitated the transportation of coffee to ports in the Gulf of Mexico, reducing turnover time for the products and thereby increasing the commodity's production as well as the profits derived from it. Aided by these infrastructural developments, from 1890 to 1910 the value of agriculture increased by five times in Chiapas (Benjamin 1996: 85). It is worth noting however that Eastern Chiapas was to remain remote and outside of this modernization process (Collier 1994: 27). The significance of this will become clear later when we consider the fact that Eastern Chiapas has been the base of the Zapatista movement. For now it is sufficient to point out that processes of uneven and combined development, linked to the national and global economy were taking place *within* Chiapas. This highlights the long-term nature of uneven and combined development as resulting from a social logic in contrast to recent scholarship that claims this is a new process (e.g. Robinson, 2008: 45).

In the two decades preceding the Mexican Revolution, foreign investment would also come to fundamentally restructure labour relations in Chiapas and affect profound changes in the scalar organization of the economy, the space of Chiapas and the spatial practices of everyday life. The 1890s had seen a crisis in the coffee industry. As Rus (2003) documents, both foreign and national investment in the coffee fincas had been encouraged in the lowlands. This investment had been premised on the assumption that highland labour was simply a transferable resource. However, the labour of indigenous communities was already accounted for, as they were used essentially as a 'reserve labour force' by the highland elites, in effect continuing colonial policies of *repartimiento*. This arrangement was acquiesced to by the indigenous communities in exchange for

some kind of internal autonomy for their community (Rus, 2003: 261).[6]

During the Porfiriato, haciendas and ranches vastly expanded in order to produce commodities for export as Chiapas was increasingly integrated into national and global economic imperatives. This integration meant indigenous people were further dispossessed of their land by foreign businesses and state officials (Wassterstrom 1983: 108; Bobrow-Strain, 2005: 748). Entire villages became tied to expanding fincas, and migratory labour to work on coffee plantations increased (Benjamin 1996: 89). Soconusco was the central target for capital investment spurred by this coffee economy. Foreign owned farms came to occupy 25% of rural property. These investments led to large fortunes being derived that then acted as a further incentive towards the growth of large estates within Chiapas (Alvarez, 1988: 280-1).

Between 1895-1910 a huge transformation of labour relations took place within the state. The amount of coffee workers more than quadrupled in this period from 5000, to 21,000, with over half of these migrant workers coming from the central highlands as highland landowners now became labour contractors (Rus, 2003: 258). Export commodities that would circulate in European and North American capitalist markets were thus being produced in Chiapas, but the labour mobilized to produce these commodities was done so in a largely pre-capitalist manner (e.g. through debt obligations mediated by monetary relations as well as direct coercion and dispossession). This symbiosis of modes of production had completely altered the spatial and scalar organization of economic activity in the state. As Rus (2003: 283) describes, "If Chiapas had been a state of largely self contained regions, each almost sovereign in its isolation as late as the 1980s, by the early 1900's, all had been subordinated to the state and federal government and reorganized to suit the interests of export agriculture." However, a profound new clash of spatializations would occur in the wake of the Revolution, between

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[6]As should be clear we cannot discuss the project of autonomy without an examination of the social purpose for which it is desired (in other words, its class content). Although 'autonomy' has a long been a political goal among various groups in Chiapas, two very different meanings can be discerned. The first of these is an elite-based understanding of autonomy, which takes it to mean a lack of outside intervention in their positions of political and economic authority. This is a highly narrow understanding of the term. The other struggle for autonomy, also seeks an end to outside interference, but additionally seeks to widen the sphere of political decision making in order to ground it within the community (for a discussion of the contested notions of autonomy see Esteva, 2001).

those who sought to transform space for their own political ends, and those that sought to keep arrangements as they were.

The 'national state', although penetrating Chiapas in terms of its accumulation strategy, did not really have what could be described as a 'hegemonic project' in the Gramscian sense of the term. Rather, its policies were carried out through the mediations of the landowning class. It is little exaggeration to say that during the Porfiriato, the landowners were the State. This was related to their monopolization of territorial control (e.g their ability to control both space and things in space such as the labour force) (Bobrow-Strain, 2005: 748, 2007: 77). By 1910 half the labour force of the state was made up of indebted servants (*mozos*). As Neil Harvey (1998: 50) argues, "It was this extensive and intimate control of Indian workers that regional landowners were to defend in their counter-revolution against Carranza and the constitutionalists."

7.4 (Passive) revolutionary Chiapas: transformation of space/transformism of social relations

Like Oaxaca, Chiapas was not one of the Mexican states that played a prominent role in the Revolution. However, whereas in Oaxaca the peasantry's limited involvement was due to a position of relative strength (see Chapter 6), in Chiapas it was due to their weakness. Here the peasantry were too divided, weak and spatially isolated to construct an organized challenge to the established order (Benjamin 1996: 92). The Revolution in Chiapas, instead of being one that was given impetus from subaltern classes, in fact was really a struggle between elite classes to control land and Indian labour - the state's most precious commodity (Harvey 1998: 52) This conflict was essentially between those who integrated themselves into the Carrancista movement, and those that rejected further integration in a national political agenda (Benjamin 1996: 134). During the revolutionary period (1910-1920), the indigenous population were mistreated by both sides, who sought to requisition their food and labour as well as handing out punishments to suspected collaborators with the other side (Rus, 1994: 265). This is not to say that there were not some progressive initiatives during the revolutionary pe-

riod. Rather that these initiatives often came from above (and often from those that had taken federal power) rather than from local social pressure from below (Reyes Ramos, 1992: 41-42). Perhaps the most significant of these progressive initiatives was the 1914 *Ley de Obreros* (Workers Law). This law, passed by General Castro, abolished debt servitude[7], and company stores (Tiendas de Raya), as well as establishing a minimum wage and free education (Wasserstrom 1983: 158). However, due to the weakness of subaltern class organization, the revolutionary struggle was initially defeated in Chiapas by the Mapache forces, who, led by Fernández Ruiz, sought a restoration of their class power that had been curtailed with recent developments such as the shift of the state capital from San Cristóbal to Tuxtla Gutiérrez (Benjamin, 1996: 48, 99). One reason for the Mapache's success lay in their appeal to protecting regional autonomy against outside interference.

In 1921 Ruiz signed into effect a law that allowed the retention of *fincas* up to 8000 hectares for personal use. Furthermore, no limit was placed on the number of family members who could hold properties. In this manner large estates could be retained through their formal (if not actual) division (Wasserstrom 1983: 159-60). In the proceeding decades landowners managed to secure seats of power in every government that followed, confirming their continued importance as a social force within the region's political and economic affairs (Bobrow-Strain, 2005: 744; Reyes-Ramos 1992: 22).

If the initial fire of the Mexican Revolution had failed to spread to Chiapas, the Revolution's 'institutional' phase led by Lazaro Cárdenas (1934-1940) did begin the process of transforming socio-spatial relations in the state. Cardenismo however, was a double edged sword for the indigenous people, as, whilst giving them limited land redistribution, it also tied them further to the state's corporatist control and reduced their autonomy (Rus, 2004: 214). Let us now examine exactly how these changes came about and what their effect was.

The activities of political parties, in particular the *Partido Socialista del Soconusco* (Socialist Party of Soconusco) had begun to help develop political consciousness among the subaltern classes of Chiapas, increasing the militancy of the plantation workers and presenting a danger to the state and federal government.

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[7]Of course debt servitude was only abolished in law. In reality in would persist for many decades in Chiapas.

According to Benjamin (1996: 139), Chiapas really began to be politicised from below around 1920 and political polarisation began to appear: "Indios against ladinos, landless against landed, poor against rich, and workers against capitalists. The politics of class was beginning in Chiapas."

Indian activism, rather than straightforward benevolence on behalf of the state must, therefore, be seen as a key component in bringing labour and agrarian reform to Chiapas (Collier 1994: 30). However, equally important was the new political realities the Mexican state faced. With the onset of the Great Depression and the collapse of international trade, the government had sought a new political direction and social compact in the form of a historical bloc that had to be constructed (as analysed in Chapter 5). The Mexican state's new orientation to domestic industrialization necessitated the geographical transformation of the hitherto agrarian nation into an urban one. This required the concomitant production of cheap foodstuffs in the countryside however, if it was to be a viable accumulation strategy. In order to achieve this end, land redistribution was necessary in order to make use of the productive resources of the nation that were often idle in prestige-based haciendas. Politically, this entailed co-opting the peasants into the hegemonic project of the state as allies through the granting of *ejidos*, in order to defeat the forces of conservatism. However, it was the manner in which this land reform process was carried out within the class conditions of Chiapas that would provide the setting for an explosive clash of spatializations that provides the background to the Zapatista rebellion.

Van der Haar (2005) notes that following the Zapatista uprising it became common place to argue (incorrectly) that the Mexican Revolution never came to Chiapas. However, this is to completely elide important spatial transformations that profoundly altered the terrain of class relations in the state. The significance of these transformations is aptly described by Aaron Bobrow-Strain ((2005: 245); emphasis added) who argues that:

> During the critical moment of socio-spatial reconfiguration that followed the Mexican Revolution, landowners did not maintain autonomous domains of despotism - 'colonial reserves' amidst quickly thickening post-Revolutionary rule. Rather the contours of landed property were made and remade through the *complex interactions of landowners, the*

state, and indigenous peasants struggling over the forms and meaning
of post-Revolutionary rule

It will now be argued that Chiapas can be seen as a regional articulation of
the process of 'passive revolution' and *trasformismo* that was analysed in Chap-
ter 5 as occurring at the national scale. Furthermore, it will be demonstrated
how Chiapas, became integrated into the accumulation strategy and hegemonic
project of ISI, but with local characteristics and peculiarities that informed future
struggles. It was this deepening insertion into national and global economic ac-
tivity that would alter class relations in the state and provide the catalyst for the
Zapatista movement. It is through this understanding of Chiapas, as part of the
incorporated comparison method (set out in Chapter 1) as both a produced space
and as a space in turn that produces capitalism that we can understand the sig-
nificance of the Zapatista rebellion as expressing a moment in the contradictions
of the *totality* of capitalist social relations.

7.5 Ejidos: spaces of passive revolution

Key to this passive revolution and process of *trasformismo* in Chiapas was the
production of particular spaces. Land reform was conducted in a manner that
did not adversely affect large land holdings, but did provide land for some com-
munities.[8] By 1950, 47% of land, formerly held *fincas* had been transformed into
ejidal property (van der Haar, 2005: 486). However, as was frequently the case
nationally, this was done so in a manner in which landowners retained power. As
Reyes Ramos (1992: 22) argues, agrarian reform in Chiapas led to the coexistence
of landowners with new social sectors. Far from leading to a modernization of
the state, it confirmed their existence as an important rural class, whilst leading
to extensive capital investment in things like cattle ranching, the incipient de-
velopment of the industrial sector and the continuation of the export economy,
most notably in coffee. In this manner, despite the efforts at agrarian reform, the
landowning class still retained their economic dominance as the *finca* remained

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[8]The actual amount of land redistributed and the number of beneficiaries created however
was extremely small compared with other states. Only the Federal District and Southern Baja
California had less land redistributed (INEGI, 1994: 379)

the most important unit of production in Chiapas, although now with a modified form of mobilizing labour.

The clash of spatializations between a landlord dominated region and a new state space eager to extend its domain of power did not result in either triumphing fully. Instead what occurred was an extension and reorientation of class power in Chiapas and the development of a new form of 'entrepreneurial *caciquismo*' (Lewis, 2005). This was very much a state-led process however, conforming to the conditions of passive revolution as described in Chapter 5. The manner in which land reform took place allowed the landowners to retain the best parcels of land and also all the key economic levers of power such as processing plants, buildings and storage facilities (Wasserstrom 1983: 164). The ejidos created on the peripheries of these estates were often then 'dependent spaces' that continued to serve the interests of the old masters in their new clothing. In many cases however, agrarian reform led to an even more profound change in the spatial form of social control and thus the means of mobilizing labour. As has been previously mentioned, prior to the Revolution, it was through the landlords' territorial control of estates, and the tying of peons to the land that ensured their political dominance. However, an important discourse (or in Henri Lefebvre's (1991: 42) terms, a different representation of space) arose from the revolutionary ideal of land belonging to those who worked it (*La tierra es para quien la trabaja*). This had material consequences, as it gave rise to petitioning for re-distribution from campesinos and state intervention on their behalf. Landowners, therefore, found it less and less desirable to have occupants who had permanent residence on their land as this carried with it the future threat of petition and expropriation. Instead, they sought to hire sharecroppers, day-labourers and seasonal workers who would be employed through wage work (Rus, 2004: 215). However, when examining social relations, Otero (1999: 23) reminds us that we have to look not only at relations of production but also *re-production*. This flow of migratory labour was ensured due to the fact that land which the indigenous population were granted was generally not sufficient on its own for the communities' reproduction. Wage labour in the lowlands was thus essential to their cultural survival (Rus 1995: 74-78; Rus and Collier, 2003: 37). Summing up the effects of labour and agrarian reform in the state, Benjamin (1996: 216) concludes that despite the temporary setbacks it involved for the landowners, it also "served to provide

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the state with a large pool of agricultural workers tied to their communities but forced by economic necessity into poorly compensated labour." Low wages could be paid as the reproduction of the worker took place within the sphere of the community. In terms of labour relations a peculiar hybrid, somewhere between capitalist wage work and peasant production therefore was formed in which agricultural producers were in semi-proletarian positions "torn between wage-labour and peasant production" (Otero 1999: 9).

Thus, whilst the indigenous were excluded from the benefits of capitalist development in terms of social spending and infrastructural development, they were also part of its economic foundation (Ceceña and Barreda 1998: 50). Like the capitalist transitions in Europe analysed by Gramsci (1971: 115) what occurred in Chiapas was not the liquidation or removal of the landowners as a class, but their demotion from their dominant position, to one which they had to share the spoils of political power with new social actors, the most important of which was the national state which sought to extend its power into Chiapas. In order to achieve this end, new spaces were created outside of the territorial control of landowning estates. In this manner the government was able to co-opt peasants and ensure "their primary loyalty would be to the state and not their class" (Collier 1994: 32). The hegemony of the PRI (at that time named the PNR), was secured through corporatist institutions such as the CNC and the INI, as well as organizations such as *Programa de Desarrollo Economico y Social de los Altos de Chiapas* (Program for Social and Economic Development in the Highlands of Chiapas, PRODESCH) and the ejidal bank. These latter two acted as patronage networks that helped to create chains of dependency and thus extend state discipline (Harvey 1998: 55-56, Benjamin 1996: 212). The future hope of land reform also served to act as a means of social control and keep the indigenous largely quiescent (Rus, 2004: 215). This was an unstable equilibrium however, and could not be maintained in perpetuity. This arrangement, moreover, involved a tension in the sense that the spaces granted to the indigenous in which they sought to construct their own political projects, was also space that represented the power

of the national state in Chiapas.[9] A shift in the balance of power for either, thus represented a threat to the other.

However, in its early phase one could argue that subaltern groups had relatively *active* affiliation to the dominant political formation in its construction of hegemony in this period (cf Gramsci 1971: 52). Nevertheless, as explained in Chapter 5, even when programmes are relatively favourable to the subaltern classes, if the initiative comes from the state there remains the ever present danger of co-optation and integration into a purely bourgeois form of political contestation (Otero 1999: 4). Surveying the 'institutional phase' of the Revolution (from the mid 1930s to the late 1940s), Benjamin (1996: 195) documents the consolidation of the revolutionary family as: "the government of Chiapas completed the political mobilization of workers and campesinos, fully integrated the regional 'revolutionary' party into the national party of the state, and carried agrarian reform to the indigenous Central Highlands and the coffee plantations of Soconusco." In terms of *trasformismo*, this was to be achieved in three main forms. The first involved selective land reform designed to quell unrest. Wasserstrom (1983: 160) notes that up until 1937, the *ejidos* that received definitive titles were located in areas such as Cinalapa, Yajalón, Pinchucalco and Soconusco where plantation workers had been the most militant (on this point, see also Chapter 6). This was aided with the factionalism that developed in the struggles for land, which resulted in alliances being formed directly with the state in a vertical manner rather than with other communities in a horizontal fashion. In conjunction with measures such as these, labour and peasant leaders were converted into politicians, resulting in their loyalty being directed towards the state or particular governments to whom their position owed its existence, rather than their class constituents (Benjamin 1996: 198). As Gramsci (1971: 59) presciently notes, *trasformismo* of this kind necessitates an important Machiavellian role for political leadership in the process of domination, leading to the absorption of enemies.

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[9]Bonfil Batalla (1996: 112) captures the two very different interpretations of land reform, arguing that for the indigenous people it not only involved the recovery of territory but also represented "a social space full of symbolic and emotional meaning. It meant the possibility of survival, but also for continuity. For the revolutionary planners and leaders of Mexico, the agrarian reform had another meaning; it was indeed a way of carrying out social justice but a way of making the earth produce, through the new projects of national development. This plan did not support the continuity of *México profundo*, but, rather, its incorporation - and negation - in what was to be a new society."

The result is their "decapitation, and annihilation often for a very long time." The important thing to note is that this reform was mediated by the state who replaced social classes in the processes of struggle and renewal, the classic traits of passive revolution. When these co-optation measures failed, repression was also used. This included the assassination of prominent socialist party members.

However, as was previously mentioned, the manner in which land reform was carried out was partial and insufficient as a resource base for indigenous people to fulfil their needs of social reproduction. Whilst the discussion so far has focused on the tactics from above, it must not be forgotten we are dealing with the constant process of class struggle over these meanings. We must also recognise therefore, that concomitantly, the process of land reform also provided the "physical and social base for development and institutionalisation of indigenous territorial claims" (Bobrow-Strain, 2005: 752). Thus, whilst indigenous peasants and the state could be allies at this specific juncture, their spatial projects would grow to be irreconcilably hostile as both developed, as this chapter shall demonstrate. A new clash of spatializations thus emerged in which the Mexican state has sought to extend the space of capital whilst the indigenous communities have sought to expand their collectively held territory.

7.6 State space/spaces of indigenous territory

Following land reform in Chiapas, the *municipio* was the site through which government funding was channelled. In this manner the state produced particular dependent spaces of political control (Collier 1994: 35). This is documented by Jan Rus (1994) who labels these new spaces as 'Institutional Revolutionary Communities'. Indigenous communal space has long been a site of political contestation as we have seen with regard to the manner in which labour resources were mobilized and sent to the lowland ranches. Caciquismo had predominated in the period prior to the Revolution. During this time, bilingual men had dominated political affairs. In order to prevent future abuses, communities in the post-revolutionary period had drawn inwards and decided to only appoint monolingual *principales* (elders), so they couldn't go behind the back of the community and sell them out to the ladinos. Whilst corruption was perhaps lessened with this tactic, it also limited the communities' ability to engage with the new na-

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tional agenda (Rus, 2005: 172). Indicative of the new power relations that were being formed in Chiapas was the establishment of agrarian reform committees as well as organizations such as the *Oficina de Contrataciones* (Hiring Office). and the *Sindicato de Trabajadores Indígenas* (Union of Indigenous Workers, STI) following the victory of the PNR candidate in state election in 1936. Not only were some *fincas* expropriated and turned over to workers and communities, but furthermore the plantation owners had to go to the STI before hiring workers, who were obliged to join the Union (Rus, 2005: 173). There was thus a trade off between better working conditions for the indigenous people, and increased government control over their lives. The key point to note is that it was now the state that was mediating social relations and therefore playing a hegemonic role within Chiapas, seeking to instrumentalise space for its own ends and over-coding it to conform to its hegemonic national project. The activities of the INI sought to increase processes of capital accumulation within the communities thereby helping to assimilate the indigenous population into the nation (Rus 1994: 289). This conformed to the state ideology of 'acculturation' whereby Mexico was constructed as a purely *mestizo* nation (see Bonfil Batalla, 1996). The victory of the PNR in 1936, although therefore key to introducing agrarian reform, also effectively ended independent activity among workers and peasants (Wasserstrom 1983: 162).

Erasto Urbina, who ran the government's successful election campaign in 1936 (for the governorship won by Efraín Gutiérez) in the highlands was a key figure in transforming state-societal relations in Chiapas (Lewis, 2005:156). He rose to become the director of Indigenous Affairs, and through this office was able to consolidate the party's hold over native labour by training a new group of young bilingual men who acted as intermediaries between state institutions and indigenous communities. Communities were forced to accept these bilingual scribes, alongside traditional monolingual elders, as a condition of agrarian reform (Wasserstrom 1983: 173). In this way, the spaces of native communities were essentially subverted, and new positions of authority created to mediate relations with the state. As Rus (1994: 267) has vividly described, the state was able to utilise the inward looking, egalitarian structures of native communities, governed by strict civil and religious norms, to create 'institutional revolutionary communities', governed and controlled by these young scribes, who secured the

PRI's vote. Through the wages they were paid by the state, these scribes were also able to become *caciques* themselves, replacing landowners and ladinos as power brokers in the community through their monopolisation of alcohol sales (essential to many religious fiestas), lending activities, and ownership of key productive assets such as trucks and improved seeds (Rus, 2005: 175; Wasserstrom 1983: 177).

As noted earlier, the production of these communities helped to absorb pressures from the exploitative relations of labour that pertained in the state. The space of the community was thus one that capital accumulation was able to utilise (Ceceña and Barreda 1998: 41-42). Community was necessary for the reproduction of labour power but precarious enough to necessitate seeking work outside of its boundaries. It was in other words, a produced space that capital was able to take advantage of by getting egalitarian community structures to provide a social wage (Rus 1995: 74). However, Neil Harvey (1998: 59, 66) quite correctly points out that whilst the creation of '*la communidad revolucionaria institutional*' was part of the apparatus of hegemony in Chiapas, this hegemony was far from even in its spatial penetration. In other places such as Venustiano Carranza, in the North East of Chiapas, land disputes were far more prominent and *scribes principales* could only retain their legitimacy by regaining land for their communities. Harvey concludes that the further one moved from the highland communities, the less state presence was felt. This is important, as it was in this atmosphere of weak state presence that the Zapatista movement grew (van der Haar, 2005: 496). This brings us back to the question of uneven and combined hegemony, introduced in the previous chapter. Some scholars who have analysed the Zapatista movement have usefully cited the breakdown of PRI hegemony within Chiapas during the period of economic restructuring that took place from the mid 1970s onwards (Morton, 2002: 40). Whilst not seeking to deny the utility of such an analysis, one must take it further and also recognise that this hegemony was never evenly exercised across territory. Within Chiapas therefore, there were some areas in which this hegemony was weak or absent. In other words, there were particular places in which the PRI were never hegemonic in the sense of having "intellectual and moral leadership." It was therefore possible to construct a new form of socio-spatial relations here in which social movements, rather than the state led the process of renewal. However, despite recognising that the PRI's

hegemony was unevenly exercised, we have to also understand that the political formations that took place inside areas where hegemony was not present were often intrinsically linked to the breakdown and recomposition of hegemonic practice in other parts of the state. This can best be observed through an examination of the Eastern part of Chiapas, specifically the *Selva Lacondona* and its surrounding areas which has served as the base of the Zapatista movement. The *Selva Lacondona* essentially served as the state's form of 'spatial fix' to the contradictions of land tenure in Chiapas. Colonization was encouraged to ease political tensions and diminish class struggles over existing land distribution. According to Neil Harvey (1998: 62) over 100,000 colonists settled in the Selva between the 1930s and 1970. This is a process that obviously has its limits in terms of physical space and environmental balance.[10] One should be able to infer from this that ecological questions are not separable from questions of property rights as shall be discussed later.

As was outlined in Chapter 2 and 3, space and scale are not fixed and eternal but contingent upon social processes. Marx's method was to show how change is in fact the natural order of things and what should interest us are moments of 'permanence' that become inscribed within a logic of accumulation (Harvey 1996: 82). The 'permanence' of politico-economic arrangements in Chiapas was clearly broken by the Zapatistas armed rebellion and land takeovers from 1994 onwards. The question that therefore must be asked is what changed in conditions to precipitate a rebellion in this time and place? These are naturally material questions. As Jan Rus (1995: 72-73) argues, "of course, economy and political conditions are at the root of the rebellion... after a period of improvement from the 1950s through the early 1970s, these conditions have deteriorated noticeably since the 1970s, most especially since the 1980s." This should not be taken to mean simple economic reductionism, but rather to examine the manner in which the cultural norms and aspirations of people were also threatened. What then were the important economic developments in Chiapas that led to this clash of spatializations?

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[10]Settling in the jungle also required an intensive process of clearing lands and often brought with it environmental degradation as the traditional practice of Milpa cultivation was inappropriate to the soil of the jungle and thus the biodiversity was threatened.

7.7 Chiapas under ISI: the state mode of production

Following the Revolution, links with the national and global economy had been increased (Harvey 1998: 48) Most of the productive activities of Chiapas are based at the primary level (agriculture, fisheries, forestry). Therefore, following the Great Depression, the export economy of Chiapas severely contracted, with certain products such as cotton never fully recovering on international markets. Instead, under ISI, the production of grains for the local food market was encouraged. During World War II, when Northern states began producing food for export, Chiapas became further integrated into national circuits of production (Ceceña and Barreda 1998: 40; Wasserstrom 1983: 181). From the 1940s onwards and continuing for the next two decades, the state saw a boom in commercial agriculture due to the rapid rising of commodity prices. During this period Chiapas became Mexico's principle producer of coffee, corn and beans, in addition to other commodities such as sugar, rice, cacao and cotton (Rus 1994: 285).

This situation was only made possible however, due to the production of space by the state, most notably in road building that was to connect isolated *fincas* to centres of commercial activity. From having just 1,400 kilometres of road in 1940, by 1970 the state had over 6 million kilometres (Benjamin 1996: 224). Of particular importance was the Pan-American Highway, completed in 1950 which provided links with the national economy (Cancian, 1992: 101). Furthermore, in a bid to ensure the security of production, the state made many *fincas* exempt from expropriation and gave them price support (Rus 1994: 285). This 'state mode of production' continued with the further construction of roads, connecting the lowland commercial *fincas* with highland *municipios* which was necessary in order to facilitate the vital labour supplies that were needed there. Migratory labour was thus redirected from its hitherto destination at coffee plantations in Soconusco. This was aided by allowing undocumented Guatelaman workers (who would work for lower wages) to enter Chiapas (Rus 1994: 286), highlighting again a particular spatial strategy of the state, and the role of classification based on scalar boundaries. It must be stressed that this process of modernization was not one that bought benefits to the masses, but rather to dominant elites (Benjamin

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1996: 226). This helped sharpen class antagonisms within the state as ethnic differences became "submerged beneath more fundamental differences of wealth. property and power" after 1936 (Wasserstrom 1983: 215). George Collier (1994: 16-17) describes Chiapas under ISI as an 'internal colony', pointing out that most of the developmental money poured into the state has been used to extract resources. Thus, with just 3% of the national population Chiapas produces 13% of the nation's corn, 54% of its hydroelectric power, 13% of its gas, 4% of its oil, 5% of its timber and 4% of its beans. Meanwhile almost half of the state's population do not have electricity, running water or other basic resources. Subcomandante Marcos (2001: 23), spokesperson of the EZLN would later declare, "The tribute that capitalism demands from Chiapas has no historical parallel." Capital accumulation thus served to increase social stratification in the state.

By the 1960s there began to emerge increasing struggles within indigenous communities against the *scribes principales* control of both political and economic opportunities. A new entrepreneurial class, as well as newly qualified teachers within communities sought increased opportunities that were denied to them by this rigid organizational arrangement (Rus 1994: 298, 2005: 178). Chiapas therefore, despite the difference in the manner of articulation, was like a microcosm of the country at large, whereby the authoritarianism of the state and the decreasing avenues for advancement were causing increasing friction, and violent repression was often used to put down these claims. The crisis of ISI thus occurred upon multiple spatial scales. The proliferation of road building in Chiapas (especially in the highlands) also led to increasing class struggles and shifting political alliances. As Frank Cancian (1992: 127, 150) argues, these are best viewed as struggles to control transportation routes, and therefore access to markets and community resources. Neil Smith (2008) refers to the contradictions that arise from uneven and combined development as taking place inter-spatially, with differentiation of geographical spaces being produced alongside the equalization of the conditions of production, leading to geopolitical competition between certain areas. However, as we noted in Chapter 2, such an analysis is largely concerned with capital as its subject. Once the focus is shifted to examine subaltern classes as our subject, the picture is altered and we can see intra-spatial conflict as a form of class struggle that also results from the conflicting demands of differentiation and equalization. As conditions of production became equalized during

this period, conflict thus took place over access to differential geographical space that had been monopolized by the scribes (Alvarez 1988: 288).[11] All merchandise entering the communities was coming through the *cabecera* (head town) which was controlled by them. The emerging entrepreneurs sought to have new roads built directly connecting their towns with the Pan-American Highway. This attempt to spatially open the community was met with fierce repression however, with those petitioning for the new roads murdered (Rus, 2005: 180). Conflict was thus emerging between capital accumulation and authoritarian control of indigenous territory.

This increased during the 1970s, which saw a period of hegemonic crisis in Chiapas, with an explosion of popular mobilizations against the governing party (as was also occurring nationally). The period witnessed a return to radical agrarian demands outside of the state's traditional corporatist institutions (Morton, 2002: 36-40). This can be interpreted as the heightening of the clash of spatializations alluded to earlier. Chiapas witnessed something of a crisis in agriculture, as guaranteed prices for corn began to fall. At the same time the state witnessed what Marx (1867/1974: 598) would refer to as the rising 'organic composition of capital', the replacement of living labour by machines (dead labour). Responding to market prices, cropland began to be replaced by cattle ranching which doubled in this period. These cattle ranches often expanded at the expense of *ejidos*, further aggravating land conflicts in the state (Benjamin 1996: 231). The effect of this agricultural crisis on jobs can be witnessed by the fact that in the early 1970s 80% of the indigenous population could derive their living from this sector but just a decade later this had dropped to less that 50% (Rus 1995: 78-79, 2004: 224).

However, although a large proportion of jobs were lost in his manner, the situation was ameliorated by public works programs both in Chiapas and neighbouring Tabasco. The oil boom provided the liquidity for infrastructural improvements in things such as dams, roads, oil refineries, urban improvement etc. As we saw in Chapter 5 energy development in Mexico was to have important social and political consequences for the nation. Nowhere were the impacts of energy development more keenly felt that in Chiapas. As a result of this boom. oil had

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[11]These conflicts are important because they led to a great many expulsions from highland municipalities like Chamula to areas of the Selva Lacondona.

massively increased its importance in terms of its contribution to national GDP. In the same period, agriculture fell from 14% to just 7% (Collier and Collier, 2005: 95). This is hugely important when one considers the fact that almost 60% of the Chiapaneco workforce was based in the agricultural sector (Katzenberger, 1995: 131). Public spending under the Echerverría (1970-76) and Portillo (1976-82) administrations profoundly altered the pattern of economic life in the highlands. Utilising money from the oil boom, important energy infrastructural developments took place. Notably among these were oil refineries in the northern part of the state as well as hydro-electric dams in the Grijalva River valley. By the end of the 1970s Chiapas had been transformed "from a technological backwater into the producer of about half the country's hydroelectric energy (one fifth of all electric energy) generated in Mexico, and major producer of petroleum" (Cancian, 1992: 48).[12] These developments as well as school, road and housing construction re-oriented labour away from traditional corn farming (Cancian 1992: 27). However, with the onset of the debt crisis these work programs were withdrawn, forcing a growing population onto an insufficient resource base. The misery was compounded by the fact that the move way from maize cultivation led to a massive increase in the costs of basic staple foods (Alvarez 1988: 287), whilst the population of the state has also expanded. The graph below indicates the explosive population growth in the state. As can be seen from Figure 7.1, from 1950 to 1990 the population tripled.

Following David Harvey (1996: 117-119), it is useful to explore the issues hitherto discussed in terms of environmental politics, with the term 'environment' widened beyond the sense of its common usage to refer to resources, ecology and situated human need. As Noel Castree (2000: 27) elaborates this ontology does not separate nature from society. Howard and Homer-Dixon (1996) usefully explain the contradictions of the economy of Chiapas as resulting from three types of environmental scarcity (which necessarily inter-relate to one another). These are 1) demand-induced (e.g. caused by demands of an increasing population or increase in per capita consumption) 2) supply-induced (caused by degradation and depletion of resources) and 3) structurally-induced (caused by distribution of resources that favours elites and impinges on the subaltern classes). They

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[12]The construction of hydroelectric dams did, however, flood a great deal of peasant farmland causing further migratory pressure in and around the Selva Lacondona and lowlands.
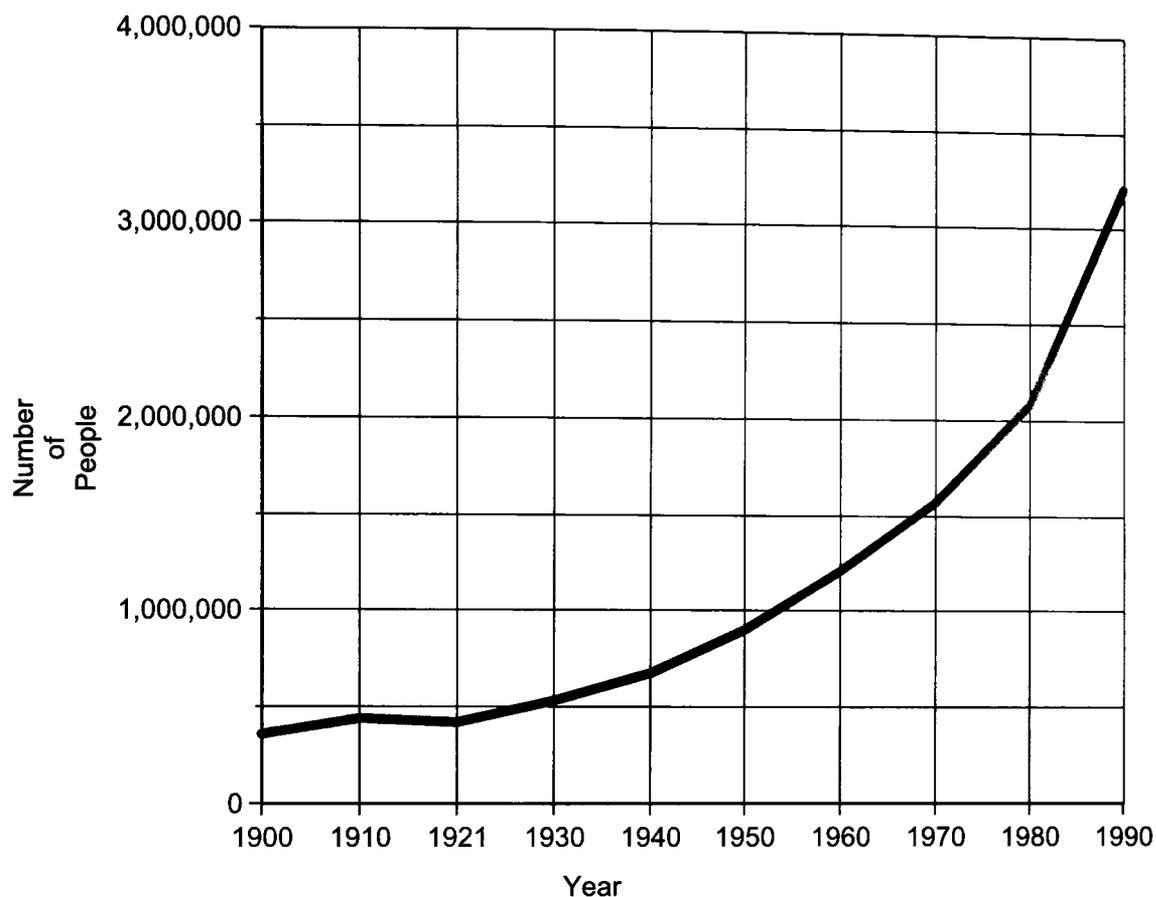
Figure 7.1: Population increase in Chiapas 1900-1990 *(Source: INEGI, 1994: 17)*

conclude that demand induced and structural scarcities are the most important problems in Chiapas. In the face of these difficulties, the immediate response of the indigenous communities was to intensify the resources under their control. However, these activities led to corrosive effects on community solidarity, leading to "social stratification and polarization within communities that formerly thought of themselves as egalitarian" (Rus 1995: 82).

Collier (1994: 120) argues that this deeper immersion into wage labour led to a move away from rank-based forms of hierarchy to class-based ones. As has been previously discussed, the PRI's hegemony prior to this had been secured through the corporatist structures of the CNC and the INI. However, as the economic situation worsened, radical independent groups sprang up, such as the *Central Independiente de Obreros Agrícolas y Campesinos* (CIOAC, Confederation of Agricultural workers and Indians), *Organización Campesina Emiliano Zapata* (OCEZ, Emiliano Zapata Peasant Organization) and *Política Popular* (PP, Popular Politics) as well as the formation of the *Union de Uniones* (UU, Union

of Unions), the biggest of all the independent unions (Collier 1994: 77. Harvey 1998: 84). The proliferation of these movements in the 1980s. "highlights the erosion of corporatist and clientelistic forms of political control" (Harvey 1998: 1). It must be stressed here, that it was the effects of capital restructuring that engendered these independent peasant organizations. It was also during this time that a number of guerrillas, radicalized by the events of 1968, and seeing fertile ground for mobilizing discontent in Chiapas, began to organize clandestinely in the mountains of Eastern Chiapas. They would integrate into the indigenous communities to form what we now know as the EZLN. One can again appreciate that the construction of hegemony in Mexico was always an unstable process that was reliant upon class alliances, whose political projects were inimical. Subaltern class struggles could only be recuperated to the extent that a material flow of concessions could be maintained (these material concessions not just relating to money but also land). However, from the period of the 1970s onwards, with the increasing turn to repressive measures, due to the declining ability to maintain patronage networks, "political identities took shape in which the state came to be seen as part of the problem, rather than part of the solution" (van der Haar, 2005: 501).

During the Presidency of Miguel de la Madrid (1982-1988) agricultural subsidies fell by 13% annually (Harvey 1998: 179). The decline of Mexican agriculture was further accelerated by the signing of the PSE (discussed in Chapter 5) which sought to reduce wages and price supports. These measures, which hit the peasants hardest, were compounded by the devaluation of the Peso, which led to a flood of cheap imports. Although neoliberal reforms had been introduced by de la Madrid, they became rapidly accelerated under Carlos Salinas de Gortari (1988-1994). As Collier (1994: 88) notes, whilst under de la Madrid they have been introduced in the face of the debt crisis, under the Salinas administration they "reflected a change of will." Neoliberalism, in Gramscian terms had become a new 'common sense' among policy makers. These austerity cuts hit indigenous areas particularly hard, especially in areas such as public health, as even token salaries were deemed unaffordable (Collier and Collier, 2005: 452-3). Furthermore, the two most important cash crops, coffee and maize were devastated by the fluctuating commodity prices. The provision of government credit in this period overwhelmingly went to beef producers which favoured large landhold-

ers. By 1990, 87% of small farmers could not get access to credit (Howard and Homer-Dixon 1996: 12).

The most radical departure was of course the reform to Article 27 of the constitution which ended the state's historic covenant with the peasantry, by abolishing the petitioning for land reform, as well as allowing for the privatization and commodification of the *ejido*. In explaining the origins of Zapatismo it is worth highlighting that the state of Chiapas had the most unresolved land disputes in the country (van der Haar, 2005: 504). One can obviously appreciate the historical continuities of neo-liberalism in Mexico, with its earlier liberal version. Both held suspicions of communal property, believing that it was an obstacle to investment and therefore progress. However, a whole section of the nation was left out of this narrative, their hopes and aspirations not deemed worthy of importance. It was a triumph of what Bonfil Batalla (1996:158- 161) refers to as *México imaginario* (imaginary Mexico) over *México profundo* (deep Mexico). The indigenous and the peasantry in this discourse were felt to be an anachronism preventing the nation from modernising and becoming competitive in the global market.

For state planners, the future of Mexico lay in tying the economy ever more closely to their Northern neighbours. This was to be institutionalised through the North America Free Trade Agreement (NAFTA). Representing Mexico's full insertion into global circuits of capital, the conditions of NAFTA required Mexico to phase out price support and import restrictions over a fifteen year period. As Harvey (1998: 181) explains: "The rationale for NAFTA was that each country and region should produce goods and services in which they have comparative advantages. The argument implied that over 2 million small producers could not continue to survive as maize producers." Journalist and long time chronicler of the Zapatistas, John Ross (2008: personal interview, Mexico City) argues that NAFTA is "indicative of what globalization does. It makes who the Zapatistas are go-away, because it threatens their ability to survive". The Zapatistas themselves called NAFTA a 'death sentence for the indigenous people' and Marcos declared that the Mexican peasantry were to be "the sacrificial lambs of NAFTA" (Benjamin 1995: 67). Their uprising, timed to coincide with the day that this agreement was due to come into effect, thus "highlighted globalization as a set of contested social relations" (Morton, 2002: 28). Their actions can therefore be

interpreted as a refusal of the model of 'accumulation by dispossession'. Rather
the Zapatista rebellion puts into questions the extension of commodification. Im-
portantly, their rebellion demonstrated a clear rejection of the peaceful, legalistic
negotiations with the state, that other peasant movements in the Chiapas had
pursued. These groups had either found themselves co-opted through the process
of *trasformismo* (discussed earlier) or were repressed by the state. In contrast to
economic modernization theory that suggests the development of infrastructure
will lead to declining levels of poverty, Chiapas witnessed the opposite since 1952,
where modernization accelerated the difference between rich and poor, leading to
class stratification and a decline in living standards (Wasserstrom 1983: 212). As
Alvarez (1988: 288) therefore summarises, social disintegration and the rise of
peasant activism, must be linked to "the enormous, sudden and unbalanced de-
velopment of capitalist investment in the Chiapas agricultural sector." Widening
our lens of analysis, Chiapas has become a space produced through conditions of
uneven and combined development within the global political economy. The re-
form to article 27 was the final straw as it foreclosed the possibility of legal paths
to land reform. It should be noted that Article 4 of the Mexican Constitution had
been amended prior to this recognising Mexico as a multicultural nation. This
revision to Article 27 rendered this meaningless however as the material capabil-
ities needed to put this into practice a different cultural way of being were now
under threat (Castillo and Aída, 2001: 188-9). This does not mean that we need
to reject the idea of multiculturalism altogether as does Žižek (1997). Rather it
means that we must remain attentive to the class content of any such proposals.

Within the context of Chiapas the state had thus created a situation akin to
a pressure cooker, but with safety values no longer able to function. This build
up of pressure resulted in explosion on January 1st 1994, as the EZLN emerged
to declare' ¡Ya Basta!' to neoliberal reforms.[13]

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[13]¡Ya Basta! translates roughly into 'enough is enough'

7.8 Beyond state space: Zapatismo and the geopolitical

Beginning on this day, the Zapatistas began a territorial response to the Mexican state's policy of dispossession. In an audacious military manoeuvre they took over key towns and cities within Chiapas including Las Margaritas. Altamarino, Rancho Nuevo, Ocosingo, San Cristóbal de las Casas, and Comitán. As John Ross (2009: personal interview, Mexico City) notes, these were important symbolic *cabeceras* (head towns within municipalities), and the military uprising was thus an attack on the geographical power structures within the state.[14] The Zapatistas have put into practice the maxim of Henri Lefebvre (1991: 190) who stressed that to change life "we must first change space." Following this uprising, they have managed to recuperate 250,000 hectares of land from private hands (Villafuerte Solís, 2005: 467). As Jorge Santiago (2008: personal interview, San Cristóbal) argues, the Zapatistas established the priority not only of the defence of territory, but also a territory considered the property of the people rather than individuals. In the wake of the Zapatista rebellion, land invasions multiplied, as peasants from a whole spectrum of political positions took over private property. As Bobrow-Strain (2007: 3) illuminates, "contrary to both the plans of the neoliberal policy makers and the fears of critics on the left, land tenure in Chiapas underwent a rapid repeasantisation and reindiginisation rather than privatisation and concentration".

The space of the community has long been a refuge or defensive bulwark of resistance for indigenous communities. However, as has been highlighted hitherto, it was also a space that was manipulated and used as a means of control by the state in order to benefit capital accumulation. The significance of the Zapatista uprising has been to move from using the space of the community as a purely defensive means, to one which it is also used for transformative purposes. As Neil Harvey (2006c: 215) succinctly puts it: "Against the effect of economic, ecological and political crisis, the community has been converted into a strategic resource for the reconstruction of the bonds of solidarity and the defence of natural resources."

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[14]Unlike in Oaxaca which used the state capital as the symbolic centre of social protest owing to the large development of Haciendas and fincas, the presence of these large estates in Chiapas meant various symbolic centres of power were targeted (see also Stephen, 1997).

This reclaiming of space has also been developed into a new territorial form of politics. In December of 1995, 38 'autonomous municipalities' were declared. These were to be governed by the peoples own political will, beyond the purview of the state. These autonomous municipalities thus represent a rejection of the *statization* of discontent and instead impose a new territorial framework on the old geographical patterns recognised by the state. In doing so, they simultaneously assert what can be called the 'constituent power' of the subaltern 'to name' and shape space (Castillo and Aída, 2001: 216; Negri, 1999).[15]

The Zapatistas draw on specific indigenous traditions, built up in Chiapas and other areas of Mexico. The community assembly for example is utilised as a tool to discuss through problems until consensus is reached. Furthermore, various principles that began to be developed by the *Unión de Uniones* during the 1970s in dialogue with liberation theology such as *mandar obedeciendo* (to command obeying) have been carried on and converted into part of the guiding philosophy underpinning the Zapatista movement (Leyva Solano, 2001: 23-26). They draw upon and develop further the pluri-ethnic conceptions of autonomy that were developed in the Eastern parts of the state owing to its history of migratory communities (Castillo, 2003: 74-77). This is in contrast to the practices of communal autonomy practised in Oaxaca, which are far more ethnically homogenous.

However, there is also something qualitatively new to the political project that the Zapatistas offer. As John Holloway (2008: personal interview, Cholula) argues, Zapatismo has led to a fundamental rethinking of politics, which has its roots in 1968 and the fall of the Berlin Wall, but also the failure of revolutionary movements in Central America. The Zapatistas thus exemplify the "rejection of monological politics, or politics as monologue and insist on the process of dialogue and the politics of listening" (on this point, see also, Holloway 1998: 164). This is most clearly expressed in their principle of *preguntando caminamos* (asking we walk). Zapatismo is therefore a political praxis that rejects politics as '*savoir*', and instead bases itself in the *connaissance* of those that are its

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[15]Opposing the idea of a fixed 'constituted power' Negri (1999: 10) argues that a hallmark of democracy is constituent power of people to alter their form of governance: "the paradigm of constituent power is that of a force that bursts apart, breaks, interrupts, unhinges any preexisting equilibrium and any possible continuity. Constituent power is tied to the notion of democracy as absolute power. Thus, as a violent and expansive force, constituent power is a concept connected to the social preconstitution of the democratic totality."

subjects. La Jornada journalist Gaspar Morquecho (2008: personal interview, San Cristóbal) argues the importance of their autonomous political project lies in the indigenous becoming historical subjects in the worst conditions, and giving voice to an identity and way of life that didn't appear in previous Mexican history. Through their struggle, the rights of the indigenous people have become far more visible.

Figure 7.2: Zapatista mural, La Realidad *(Photo by Chris Hesketh, 2009)*

The Zapatista uprising has also illuminated important dynamics of contemporary class struggles. The rebellion can be interpreted as a refusal of the model of 'accumulation by dispossession' that capitalism is increasingly reliant upon (Harvey, 2003: 137-169). It does this by the reclaiming of social space in which the logic of capital does not operate. Thus, in concurrence with the model of class struggle set out in the previous chapter, it entails a direct challenge to the ability of the state and capital to produce spaces through which new rounds of accumulation can then occur. As Robinson (2008: 302-3) argues in relation to this point: "The fundamental indigenous notion of 'mother earth', as something that cannot be 'owned' much less privatized, and which must be respected and sustained, is diametrically opposed to global capitalism's drive to commodify and plunder

nature." In this manner, struggles for full cultural recognition are transformed into class struggles. The Zapatista project is also one that is based on collective action for collective need (expressed in the guiding maxim *Para todos todo, nada para nosotros* - for everyone everything, nothing for ourselves). As Lorenzano (1998: 133) argues, "Zapatismo cannot be understood except as an experience of communal/popular power." This point is important as it recognises the contemporary spatiality of class struggles that have been increasingly prominent in Latin America during recent decades in efforts to retain access to basic services (Portes 1985: 31, see also Chapter 4). As was also highlighted in the previous chapter, this spatializaing of class struggles also moves us away from a dogmatic and exclusionary conception of class that views only workplace struggles at the point of production as being relevant. Instead, once we open up class struggle to the terrain of the lived space of the community it also encompasses concerns such as culture, gender and environmental issues (Harvey, 2003: 170-71).[16]

As was outlined in Chapter 6, class struggle is better thought of. not in terms of an empirical category or fixed sociological group, but rather as a relational concept. In other words it is not a conflict between two pre-constituted external agents, but rather a conflict about the constitution of social practice. between creative work and its negation (Holloway 1998: 182, 2002a: 50, 78-90). Through their actions of re-claiming the social, the Zapatistas thus challenge the logic of capital accumulation by their refusal to be proletarianised. Marx (1894/1977: 814) pointed out that "capital was not a thing, but rather a definite social production relation". It is representative of past labour that transmogrified, feeds vampire-like upon living labour (Marx 1867/1974: 224). Therefore, as Holloway (2002a: 40) illustrates, its 'power-over' is predicated on the expropriation of power-to. However, the Zapatistas overcoming of this separation between the doing (the process of labour), and the done (the product of labour), and the refusal of these relations of domination, presents a challenge to the ability of power-over to continue. As Marcos (2001: 92) declared with regard to this point, the current system "is based upon our weakness. To our lack of alternative proposals, they

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[16] As the young Marx (1844/2007: 29) argued, the problem with bourgeois political economy was precisely the fact that they failed to look at workers beyond the workplace. In other words it failed to view them a human beings. Once this point is recognises a whole series of everyday life issues must also be theorised into one's notion of class struggle (on this point, see Lebowitz, 2003)

offer the continuation of the nightmare. We must go beyond lamentations and propose new possibilities." It is therefore a politics that takes a proactive stance by seeking the self-valorisation of labour (Lorenzano 1998: 149).

7.9 Producing spaces of resistance

The Zapatista struggle is an example of overcoming of alien determination and points towards a liberation of 'species being' (Marx 1844/2007: 67-80). In relation to this overcoming of alienation, Gustavo Esteva (2008: personal interview, Oaxaca) draws a useful distinction between autonomy, ontonomy and hetronomy. Hetronomy is essentially the situation we live in under state governed societies, whereby norms are imposed by others. Ontonomy, on the other hand, refers to the ability to be ruled by one's own cultural being that relates to shared norms and inter-subjective meanings. These norms however, can be, and are, altered by the community by virtue of their *autonomous* decisions (they are thus not fixed but require constant self-reflexivity). The Zapatistas seek to construct a politics that is both ontonomous and autonomous. One example of this changing ontonomy has been the involvement of women in the movement. As Mercedes Olivera (2005: 617) argues, "one of the most important achievements of the EZLN has been the legitimization of female participation in politics, hitherto a reserve of males." Traditionally it was only men, in their role as heads of households that participated in the community assembly and dominated political life. Although receiving far less attention in the media, on the same day that the Zapatistas announced themselves to the world with the 'First Declaration of the Lacandon Jungle', they also proclaimed the 'Revolutionary Women's Law'. This asserted that women were to have full control over their own fertility, the right not to be forced into marriage and also the right to be free from domestic violence (Millán, 1998: 74-75). One can only appreciate the significance of these measures when it is considered that there currently exists a World Bank sponsored program in Chiapas to forcibly sterilise women who exceed a three child limit (Olivera, 2009: personal interview, San Cristóbal). Furthermore, women have also had to bear the burden of the recent wave of immigration as men have left communities in search of work as opportunities declined in Chiapas (Villafuerte Solís, 2005: 469). As well as having responsibility for the household, this has concomitantly

led to a process of feminization of peasant production (Olivera, 2009: personal interview, San Cristóbal). PROCEDE, the government program to regularise land titles (discussed in the previous chapter), has furthermore systematically excluded women from the process of land reform by making certification status only in relation to (male) heads of households (Olivera, 2005: 615). Women's participation in the EZLN can be related to resistance against this attempted dispossession. Gender struggles therefore cannot be divorced from wider class issues related to the manner in which capitalism operates in Chiapas. According to Neil Harvey (1998: 224), "there has been a general re-appraisal of gender relations in the wake of the rebellion." Women are estimated to constitute a third of the EZLN's membership and make up half of the *Comité Clandestino Revolucionario Indígena-Comandancia General* (CCRI-CG Clandestine Indigenous Revolution Committee - General Command), the EZLN's military command. Women have also been at the heart of key symbolic acts of the Zapatistas including Major Ana María leading the military occupation of San Cristóbal and Commandata Ramona leading the Zapatista delegation in peace talks with the government. Women's mobilization was also decisive in the fight to evict federal forces from the autonomous municipalities. The *Junta de Buen Gobierno* (JBG) of La Realidad (2009: personal interview) identified the participation of women as being one of the key aspects of change they had witnessed in the community since 1994, and (especially since the inception of the *Juntas* in 2003). The revival of traditional Mayan medicine in daily life within the autonomous communities has also proved to be empowering as women's *connaissance* has become increasingly valued (Harvey, 2006c: 229). This is not to claim that a situation of perfect equality now exists within Zapatista communities.[17] Indeed, a 2004 communiqué from Marcos entitled 'Two Flaws of the Zapatista Movement', recognised the participation of women was not increasing as much as it should have done, and although the 'Sixth Declaration of the Lacondon Jungle' (CCRI-CG, 2005) recognised the position of women had improved, further progress was still demanded. The Zapatistas, therefore, are not simply trying to restore past conditions, but rather to create an alternative future. This involves conscious work as many aspects of Zapatismo

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[17]According to Jutta Meier-Wiedenbach of Global Exchange (2008: personal interview, San Cristóbal) it is clear that some communities have gone further than others in the participation of women. Some remain largely male dominated but in other regions there is a far more even split in the participation at the community assembly.

are not found within traditional communities (Lorenzano 1998: 129, 134).

As should be clear, the rejection of alien determination implies the rejection of the state as an organization that places itself above society (Lefebvre 1966/2009: 147-150). After all, the state is not just a *form* of social relations, but a *process of forming* social relations (Holloway, 2002a: 94). This has been a conscious decision that relates to the experience of betrayal by the state that culminated with the revisions to Article 27 of the constitution. As van der Haar (2005: 489) argues, the EZLN "sought to displace the state and deny the Mexican government legitimacy because the latter had betrayed the revolutionary project. The EZLN revived Zapata, whereas the Mexican state had declared him dead." Indeed, the invoking of Zapata was an important discursive move, due to his symbolic referent in Mexico as the emblematic defender of the peasantry. It therefore provided a means of claiming historical legitimacy for their struggle that reached out to wider sectors of Mexican society (Rajchenberg and Héau-Lambert, 1998: 23-34). This highlights the point raised in the introduction with regard to the fact the Zapatistas struggle is not merely to be confined to the local production of space, but is also a struggle to insert itself onto wider scalar dynamics. However, whilst the discourse of the Zapatistas has been hugely important in terms of mobilizing support, this must not be separated from the concrete nature of their struggle, as without a material political project their discourse would be little more than posturing and wishful thinking.

Instead of trying to capture state power and use it instrumentally to achieve their objectives, the Zapatista model of organization is pre-figurative, organically constructing a new type of social relations as a lived experience of experimentation, rather than waiting for some future moment of decisive action.[18] As Marx (1844/2007: 124) points out, the value of pre-figurative action results in the creation of new needs, namely the need for society. Thus, "what appears as a means becomes an end." As one Zapatista (2009: personal interview, La Realidad) put it, they are not looking for power, but seeking to return it to the *pueblo"*. It is in other words a geographical redistribution of power. Rather than 'a politics of

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[18]One Zapatista (2009: personal interview, La Realidad) explained that the importance of the movement was that they were making plans new a new life: "when it rains one prepares by getting an umbrella and wearing adequate clothing... The world economic system is going down the toilet. We are preparing for what comes after... When you want to change the world you need to prepare for it."

Figure 7.3: "You are in Zapatista Rebel territory. Here the people command and the government obeys" *(Photo by Chris Hesketh, 2009)*

demand' - whereby state power is reinforced as the supreme arbiter of decision making, the Zapatistas have moved to a 'politics of the act' whereby they themselves assume the responsibility for the social (Day, 2005: 88-89). The impetus for this came when the government refused to ratify the original San Andrés Accords agreed at peace talks in 1996, and instead finally passed in 2001 a watered down version of the bill, which failed to recognise the Zapatistas fundamental demands for cultural rights to autonomy and the use and benefit of their territory (Mora, 2007: 71; for further details see People's Global Action, 2007). This led the Zapatistas to a process of internal reflection and the further development of their autonomous project, through the creation of the *Juntas de Buen Gobierno* (JBG) in 2003, which put the San Andrés accords into effect unilaterally. Rather than the state leading the process of renewal and absorbing discontent in the form of passive revolution (discussed in Chapter 5) the Zapatistas as a subaltern force managed to keep the initiative. Their rights were claimed and put into practice, not simply granted by an external power. As one member of the JBG of La Realidad (2009: personal interview) stated with regard to this: "with or

without laws, we will construct our own autonomy." The Zapatistas have learnt from the failures of previous social movements in Chiapas who were co-opted and rendered powerless through their involvement with the state. In contrast they are extremely aware of the dangers of *trasformismo* and passive revolution. They are therefore insistent their struggle will take place without the mediation of political parties "who find new ways to win, new clothes to wear new words to say, and new gifts to offer" (Zapatista 1, 2009: personal interview, La Realidad). Instead, the Zapatistas have built a form of collective class power that is grounded in their own needs and aspirations.

What then have been the Zapatistas key proposals? Politically, one can identify the production of three spatial scales at which the Zapatista politics now function within their territorial zone of influence. These are the community level, the municipal level, and the level of the caracoles which operate on a regional scale. These spatial scales are linked together as networks of resistance (Gonzalez Cassanova, 2005). The caracoles are an example of urban experimentation the Zapatistas have been involved with, housing as they do key economic foundations of Zapatismo, as well as schools, health clinics, and meeting centres. The premise of creating this level of government was to co-ordinate better the efforts of the autonomous municipalities, to counter the uneven development that had taken place between areas under Zapatista influence[19], and provide a focal point for people wishing to engage with the movement. Meaning snail or shell in Spanish, the idea of the caracoles was for knowledge to spiral outwards among their communities.

Drawing on the indigenous tradition of the *cargo* (discussed in the previous chapter), members of the community assembly are elected to the municipal government where they generally serve a term of around 2-3 years. The municipal government contains the general command, the agrarian council and the honour and justice commissions. Members work for 1-2 days a week and then return to their communities. Members of the Municipal government are further divided in three teams of 7-8 people to occupy positions on the JBG. These teams rotate

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[19]For example a 10% tax is made on all solidarity contributions from NGOs working in Zapatista territory. 10% is also levied on any government project that wants to pass through their zone of influence (JBG, 2009: personal interview, La Realidad; Stahler-Sholk *et al.*, 2007: 57).

every 10 days or so[20] (JBG La Garrucha, 2009: personal interview). The principle of rotation is important for a number of reasons, both economic and political. Economically it is vital to allow members to return to their communities to be able to plant and tend crops (as work on the Junta is an unpaid responsibility rather than a position of prestige). However, in rotating in this manner an important political mechanism also operates as it ensures that representatives are constantly in contact with their social base. As Marcos (2004) explained. it is a new way of doing politics "so that the task of governing is not exclusive to one group, so that there are no 'professional' leaders, so that learning is for the greatest number of people, and so that the idea that government can only be carried out by 'special people' is rejected." A member of the JBG at La Realidad (2009: personal interview) described the Juntas as a space in which they learned to construct autonomy. Therefore, "the Junta is like a school where we learn to govern." This model of governance thus conforms to the theory of *autogestion* described in Chapter 2. The principle of rotation also overcomes one of the potential problems inherent to this concept, namely the formation of a bureaucracy (Lefebvre 1966/2009: 147). Some have sought to argue that *autogestion* dovetails with neoliberal ideologies of self-help (Higgins, 2004: 140). However. this is to ignore the key differences of social purpose. As Lefebvre (1979/2009: 128-9) makes clear, the latter consists in "transferring the problems, but not the privileges of the central power to grassroots organization."

Education itself is perhaps the most advanced aspect of Zapatismo, not only in the sense that it is the most active and pervasive, with each community now having a school, but also in the sense that it is seeking to ground education within the peoples own reality, in terms of history, and social environment (Ross, 2008: personal interview, Mexico City). Education promoters are now sent to each village where maths, history and language tuition are taught in whatever the language the children speak (education promoter, 2009: personal interview. La Realidad). A system has been created whereby those who gain literacy can then serve the community either through working on the Juntas or themselves becoming education promoters and thus collectively raising the community.

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[20]In La Garrucha the Junta is staffed by an 8 member team with two members from each of the four municipalities, that in turn represent around 211 communities. In La Realidad it is a 7 member team, also representing 4 municipalities and around 150 communities.
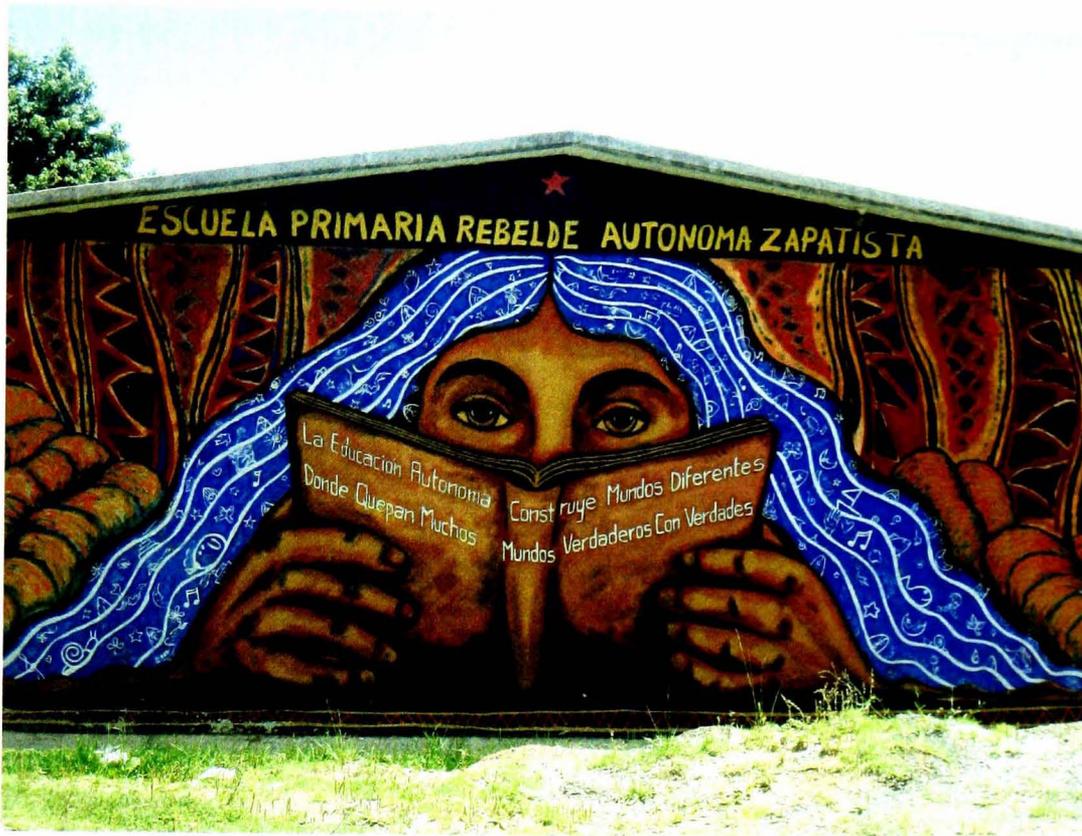
Figure 7.4: *Primary school in Oventik (Photo by Chris Hesketh, 2009)*

Another important aspect of the Zapatista's autonomous project is their provision of ontonomous justice and law, based on the indigenous tradition. This is based on the principle of reparations rather than the western system of punishment. Someone found committing a crime is sentenced to work in the community, and the appropriate sentences are decided by village assemblies (JGB, La Realidad; JGB, La Garrucha, 2009: personal interviews). Indeed, non-Zapatista communities have been known to ask the Juntas to adjudicate in particular disputes helping to soften traditional intra-community tensions (Hansen, 2008: personal interview, Tlaxcala). One prominent example on their justice provision is the prohibition on alcohol within the communities. One must understand this in terms of the history of exploitation in Chiapas, whereby alcohol was forced onto the communities as payment in lieu of money. It was the key means by which caciques enriched themselves and caused further problems in the community with alcoholism and domestic violence (see Lewis, 2005: 161-3; Bobrow-Strain, 2007: 71). A collective decision was therefore made in the assemblies to ban it (JBG, La Realidad, 2009: personal interview).

Overcoming alienation has also been important in the realm of production, as

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well as the social reproduction, of the community. The *Junta de Buen Gobierno*
at La Garrucha (2009: personal interview) stressed their elders had lived through
suffering and had bosses to answer to, but they had never known bosses. In a
misinformed analysis of the movement, Tom Brass (2005: 665) labels the Zapatis-
tas 'petty small holders' primarily interested in protecting their private property.
However, this is to ignore the fact that, from their inception the Zapatistas have
promoted collective ownership rights, an example of which was the Revolutionary
Agrarian Law declared in 1994 (Lorenzano 1998: 139). Production is largely or-
ganized in cooperatives and is taking place more and more in a collective manner
as one Zapatista confirmed (2009: personal interview, La Realidad). Production
is undertaken first and foremost for the subsistence needs of the community, al-
though some products are exchanged on the market. In La Realidad there is a
bank that provides loans at a rate of just 2% interest for those who need money.
Interest is charged so that extra funds can be generated for the community if
needed. Jorge Santiago (2008: personal interview, San Cristóbal) the former
Director of *Desarrollo Económico y Social de los Mexicanos Indigenas* (DESMI,
Indigenous Mexican Social and Economic Development), a San Cristóbal based
NGO that has worked for over thirty years in Chiapas with indigenous groups,
argues that the Zapatista communities have been involved in a profound process
of change. Although collective work has a long history in Chiapas, the idea of
collective ownership of property, in terms of the means of production, has been
something new that the Zapatistas have contributed to. One example of this
is the women's collective from Oventik 'Mujeres por la Dignidad' (Women for
Dignity). They formed in 1997, and now have over 700 members from over 4 mu-
nicipalities. Products from Zapatista communities, including clothing, artwork,
coffee and other such things, as sold within TierrAdentro, a Zapatista solidarity
café in San Cristóbal. It has been pointed out that in global commodity chain
production, the largest benefits rarely accrue to the direct producers (Radcliffe
and Laurie, 2006: 88). This strategy of the Zapatistas however ensures it is
the primary producers, who receive the full benefit of their labour, not coyotes.
Having seen the success of the collective marketing of the Zapatistas, some non-
Zapatista communities have requested to sell products jointly with them. Some
products are also sold through the solidarity economy, most notably in the US.
Canada and Western Europe. The solidarity economy provides 'breathing room'

to some communities on occasions, but according to Tom Hansen (2009, personal interview, San Cristóbal) "the substance of Zapatismo does not depend on it." It is worth noting that the reindigenisation of production has a particular geography to it that is frequently not understood by ladinos. In Nettie Wild's documentary *A Place Called Chiapas*, Jorge Kanter, one of the most (in)famous landowners of Chiapas (whose family lost three of their four ranches to the Zapatistas) argues that despite inheriting the land and infrastructure, nothing has been done with it, and the fields are overgrown and unkempt. However, this view is based on a totally different understanding of what it means to produce. In Kanter's case, production relates to capital accumulation and doing as much as possible with the resources. For indigenous peasant communities, production relates the ability to live in harmony with the land and wider environment (Castillo and Aída, 2001: 218-9). This includes leaving certain tracts of the land fallow, explaining why certain areas appear as idle and overgrown to those not familiar with this method of farming (see also Bobrow-Strain, 2007: 159-160 for a discussion of this issue).

Lastly the Zapatista have developed their own autonomous health service. Each autonomous municipality now has its own health clinic, with prominent hospitals such as the Clinic 'Commandata Ramona' located in La Garrucha and the clinic 'Guadalupana' at Oventik. These clinics conduct health consultations and minor surgeries within Zapatista territory and are free for Zapatista members, whilst those from non-Zapatista communities are only asked to pay a small fee. These developments highlight the revolutionary politics of the Zapatistas, and shows concrete evidence for spatial transformation that have been induced through collective power, transforming conditions of everyday life.

7.10 The scale of the Zapatistas

However, it is not just within Chiapas that the Zapatistas have had an influence. As was mentioned in the introduction, the Zapatista politics has operated on a variety of spatial scales that includes a local, regional, national and transnational component.

With regard to the national scale, they have undoubtedly been the most influential social movement that the country has seen since the Revolution. As John

Figure 7.5: Zapatista autonomous health Clinic, La Garrucha *(Photo by Chris Hesketh, 2009)*

Ross (2008: personal interview, Mexico City) puts it: "In a country that was dependent on one party for 7 decades to provide everything for them from the cradle to the grave, doing things for yourself was not encouraged. The message of the Zapatistas was therefore radical and has inspired others." The Zapatista rebellion has been hailed as "the most powerful force for democratization in Mexico" (Collier and Collier, 2005: 450). Not only did the emergence of the Zapatistas coincide with the ending of the PRI's 71 year rule in 2000[21], but additionally, the Zapatistas have opened the political terrain for a plethora of civil society groups to flourish (Gilbreth and Otero, 2001: 8-9). This was further enhanced with the *Otra Campaña* (Other Campaign) which took place in 2006 alongside the national presidential elections. This was designed to build networks with other social movements across Mexico who were 'below and to the left'. The *Otra* has sought to put into practice ideas about autonomy on a wider scale, and seeks to construct a national political force that, at the same time, is not a

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[21]With the election of Vicente Fox as leader of the Partido Acción Naciónal (Party of National Action, PAN).

party that aspires to office (Mora, 2007: 65-67). This is precisely a strategy that struggles against the dangers of passive revolution that came from the process of national democratisation trying, as it did, to absorb opposition movements into an acceptable sphere of discontent (Morton, 2005: 190).[22] The Zapatistas have rejected representative democracy as an irrelevance that fails to deal with fundamental structural inequalities (Villafuerte Solís, 2005: 479; Harvey, 1999: 246), and thus seek to widen the meaning of democratic participation. It is also part of the inside/outside dialectic of the movement, that is proactive at the local level but also recognises the importance of political solidarities outside of it. As one Zapatista in La Realidad (Zapatista 2, 2009: personal interview), put it: "it is important that people do not forget we are still here struggling."

Although not covered by the mainstream news, the Zapatistas have formed and fortified alliances with various social movements across Mexico for example the *Frente de Pueblos en Defensa de La Tierra* (FPDT, Peoples Front in Defence of the Land), in Atenco, the *Consejo Nacional Urbano Campesino* (CNUC, National Urban Peasant Council) in Tlaxcala and the *Frente Popular Francisco Villa Independiente* (FPFV-I, Independent Francisco Villa Popular Front) in Mexico City. Tom Hansen, whose organization Mexico Solidarity Network works in close association with many of these movements, refutes claims that this has not been a success, and instead agues that it cannot be viewed in terms of 2-3 years, but rather must be seen as a 30-40 year project. This is because "the ideological foundations of autonomy is not something that can take root overnight. It takes a lot of education and practical experience to internalise something that isn't corporatist organizing." The Zapatistas therefore have helped inspire a new conception of thinking about political organization that explicitly rejects the Leninist model of vanguardism, whereby social struggles are subordinated to the interests of the party.[23] Whilst autonomy has a long tradition in Oaxaca, the Zapatistas certainly helped to reignite social struggles there, showing what could be made possible. Inspired by the Zapatistas, a number of 'autonomous municipalities' have sprung up throughout Mexico including Zirahuén, San Salvador Atenco and San Juan Copola. If the Zapatistas resistance does indeed offer an example of

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[22]For an in depth analysis of this trend see Robinson (1996).

[23]Marcos (2003) made his position on this matter abundantly clear with a communiqué entitled 'I shit on the Revolutionary Vanguards of this planet'

a counter-hegemonic struggle (see Morton, 2002), it is arguable that it is one in which the term counter-hegemony requires a double reading, as not only are they countering a current regime of hegemony, they are also countering the logic of hegemony itself a singular emancipatory project.

As Marcos declared in relation to traditional political organization:

> It always tries to impose a hegemony of sorts; a hegemony of class, or of a vision of the world, or a political position over the rest of society...In the case of a new politics that does not propose the taking of power, and when confronted with the search for hegemony, the first task is to recognise that there are differences between all of us, and that in light of this we aspire to a politics of tolerance and inclusion. You cannot aspire to eliminate the other, that which is different (Huerta, 1999: 270).

The Zapatistas have also been involved in the politics of resistance at the transnational scale. Their example has proved to be hugely inspirational in the alter-globalization movement (Collier and Collier, 2005: 451; Morton, 2002: 28). Through their skilful use of the internet to disseminate communiqués, the Zapatistas have generated what Cleaver (1998: 81) refers to as the 'electronic fabric of struggle'. The numerous *encuentros* (encounters) organized in Zapatista territory have attracted participation from a wide transnational network of support. This has not only proved key in providing material support for the struggle, it has also protected the communities from military attacks that had been encouraged by private capital.[24] The internet was key therefore to scaling up their political project. As Olesen (2004: 225) highlights, however, the Zapatista resistance project is one that it has a developed a relationship with transnational solidarity activists based upon mutuality, that is to say, it does not depend on a one way flow of resources but activists also come to Zapatista territory to learn and share experiences.

The Zapatistas have also helped to redefine strategies of resistance in an age of global capital. This stems from their consolidation of local power, but with

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[24]A memo from the Chase-Manhattan Bank in 1995 called for the Mexican government to 'eliminate' the Zapatistas in order "to demonstrate their effective control of the national territory and security policy" in order to reassure stock markets.

a supranational projection that critiques neoliberal capitalism. This has proved hugely influential to resistance to megaprojects such as Plan Puebla Panama, where over 100 social movements have created a network of resistance that base themselves within their everyday social reality but also look for alternative means of integration (Coronado and Mora, 2006: 36; Harvey, 2006c: 214-5).

7.11   ¡Zapata vive!

The Zapatista project has, of course, been taking place concomitantly with increased activities of the state to re-absorb this social struggle into its hegemonic structure. The Zapatistas after all offer a clear challenge to the logic of the state, usurping its monopoly on territorial control, as well as taking over key functions usually associated with the state such as the provision of education and health as well as the administration of justice. The response by the Mexican state has gone through various phases. The first of these was a direct military response. According to Ernesto Ledesma (personal interview, San Cristóbal, June 2009) director of CAPISE, an NGO that monitors militarization and human rights violations in Chiapas, there still remain 59 military bases within indigenous territory, many of which encircle the caracoles, the political nerve centres of Zapatismo.

However, generally speaking, the direct military response has been replaced by more subtle means of economic coercion and political pressure, in conjunction with the use of state backed paramilitary violence against the Zapatista communities.[25] Tom Hansen (2009: personal interview, San Cristóbal) director of Mexico Solidarity Network, a US-based organization that has worked closely with the communities since the uprising, defines the situation in terms of a state strategy of low intensity warfare. In Chiapas government aid programs have been offered to communities who were formerly aligned with the Zapatistas such as CIOAC and ARIC. Various inducements have also been offered to these communities who also took over land in the wake of the rebellion to normalise their titles under PROCEDE. This has had to increasing claims for land being extended into Zapatista territory (Olivera, 2009: personal interview, San Cristóbal). The Mexican state has thus not ceased searching for ways to marginalise the Zapatista

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[25]For updated information of these violation against the communities see the websites of Fray Bartolome or CAPISE.

project and reclaim their recuperated land. This has escalated tensions inter and intra-communally, as the Zapatistas do not allow their members to accept government aid programs. Many of these government programs such as Plan Cañadas, *Programa Integral para el Desarrollo Sustentable de la Selva* (PIDDS. Integral Program for the sustainable development of the Jungle) and *Proyecto de Desarrollo Social Integrado y Sostenible* (PRODESIS, Socially Integrated Social and Development project for Sustainable Development), have targeted the Selva Lacandona area, the base of the Zapatista movement. They are interpreted by some as counter-insurgency tactics, that dovetail with the new accumulation strategy of the Mexican state in Chiapas (Olivera, 2009: personal interview, San Cristóbal).[26] The Mexican state has also offered numerous spatial responses to the Zapatista challenge. One has been to re-municiapalise the region in an effort to undermine the autonomous communities and reassert the state's power to name (Leyva Solano, 2001: 35). More recently there has been a development project under the Juan Sabines government of creating 'rural cities'. The state government has identified the dispersion of the population as one of the greatest problems for the economic modernization of Chiapas and a prime factor explaining rural poverty. Therefore, in a 5 year developmental project they have proposed to construct 27 'rural cities' that congregate populations into large communities.[27] Thus far two have been constructed, one at Nuevo Juan Grijalva (a community that had previously been destroyed by a natural disaster), and the other at Santiago del Pinar (close to the Zapatista caracole of Oventik). These cities have been built in conjunction with large Mexican corporations such as Farmacias del Ahorro, Banamex, Banorte, and TelMex among others. This is a clear effort by the state to re-territorialise communities through offering material incentives such as housing, jobs and social services. Drawing from the work of Gilbert and Ward (1984; 1985) who investigated similar issues of government intervention, housing policy and community actions programs in the 1980s within Mexico City, one can see this is an attempt by the state to re-legitimate itself. The rural cities project thus should be interpreted in light of an attempted re-composition

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[26]The Selva Lacandona is an area of increasing strategic importance to the Mexican state. It contains a huge amount of Mexico's biodiversity, and thus has become essential to projects of eco-tourism and bio-prospecting.

[27]Information on this project can be found at the state government's webstite - http://www.ciudadesrurales.chiapas.gob.mx/ciudadesrurales).

of hegemony and through geographical strategies of attempted *trasformismo* (see also Chapter 8). As Gilbert and Ward (1984: 770) put it, "The aim is less to change conditions for the poor than to make sure they cause no problems." In this respect one can compare the rural cities project to classic spatial strategies of counter-insurgency such as strategic hamlets in Vietnam.

There are multiple geo-political and geo-economic reasons for these tactics. One reason, of course, is the threat to state power that the Zapatista example sets. As Hardt and Negri (2004: 334) argue, "without the active participation of the subordinated, sovereignty crumbles". The fact that the Juntas function everyday is thus a powerful inspiration for others to follow. Whilst not necessarily offering a model to copy, it allows people to expand their horizons of the possible. Numerous scholars have questioned whether autonomous projects can be viable without the conquest of state power, arguing that it does little to affect the resources in state hands (see *inter alia* Brass, 2005: 667; Stahler Sholk *et al.*, 2007: 9; Callinicos, 2003: 94). However, this argument is misguided in a number of respects. For example, it conceives of state power as 'some-thing' that can be taken (a ready made machinery), and moreover assumes that it is only a central juridical entity. However, as this chapter earlier indicated, the state in Chiapas functioned through the control of political communities. Therefore, the struggle against state power is something that takes place "first and foremost on a daily basis, in communities, *ejidos*, unions, schools, churches, and many other sites" (Harvey 1999: 260). The Zapatistas in other words have not left the state intact, but rather they have taken power from it through their appropriation of land and production of alternative space. Lefebvre (1991: 383), in identifying the intimate connection between capital accumulation and the role of the state, argues powerfully that:

> Pressure from below must confront the state in its role as organizer of space, as the power that control urbanization...The state defends class interests while setting itself above society as a whole, and its ability to intervene in space must be turned back against it, by grass-roots opposition, in the form of counter-projects designed to thwart strategies, plans and programmes imposed from above.

This is exactly what the Zapatistas have done. If we recall the triad of spa-

tial practices, representations of space and spaces of representation. outlined in Chapter 3, we see that the state has had, and continues to have a very specific representation of space with regard to Chiapas, and the rest of Mexico. By virtue of its *savoir*, the state has claimed the right to reconfigure the space of Mexico and insert it into transnational productive circuits. However, these attempts to modify the spatial practices in one area led to an unanticipated alternative spatial practice on behalf of some of the indigenous people who have an alternative cosmo-vision and thus through their representational spaces looked to create alternative spatial practices. Arraceli Burguete of CIESAS (2009: personal interview, San Cristóbal) describes this as a process leading to a 'communalisation' of indigenous struggles and a re-signification of indigenous life (much like the discussion of the previous chapter). The Zapatistas in Chiapas now represent the most important counter weight to the government in the state of Chiapas. As Neil Harvey (2005b: 629) states, even though the Zapatista support base is in the North and North east of the country, "the ripple effects of Zapatismo are felt throughout the state."

This can most clearly be seen in the struggles between two very different visions of the future. As is the case with Oaxaca, so too is Chiapas a 'spatial target' for the expansion of capital in Mexico. Key to this is Plan Puebla Panama (re-named Plan Mesoamerica) which seeks to integrate the south of Mexico and Central America into a free trade zone, in the same manner as other economic blocs that have created economies of scale. Key to this are: agricultural plantations controlled by multinational corporations, transnational road networks, inter-oceanic canals and the development of new port capacities linked with commercial corridors (Coronado and Mora, 2006: 26). It has been recognised by state planners that since the passage of NAFTA, whilst the Northern parts of the country have been able to take advantage of free trade with the US, the south has had neither help from the state, nor access to markets, leaving it unable to increase its competitiveness in the global economy (see Davíla *et al.*, 2002; Harvey, 2006c: 212). Furthermore, there has been a realization among some elites that the old economic models of development based on extensive cattle rearing, petroleum, extraction and agricultural colonization has left both ecological problems and contributed to political agitation. This has led to the development of a new 'ecological' model of capitalism for the southern Mexican states (Harvey.

2006c: 205). A tension has also emerged between various fractions of capital that seek to utilise the resources of Chiapas in different ways. This is essentially a conflict between those that seek to extract resources and those that seek to preserve them (albeit for the benefits of commodification). Thus, "in addition to the 'traditional' economic contradictions in the region, there are now new ones, resulting from pressures to modify the use of territory and its population" (Ceceña and Barreda 1998:, 55-57, 43).

On the one hand, over 500 thousand of hectares of concessions of land have been granted to mining corporations, and the increasing planting of monocultures such as African balm and Eucalyptus threaten the areas bio-diversity and water resources (Castro-Soto, 2009: personal interview, San Cristóbal). This has taken place alongside the promotion of eco-tourism by the government, with plans to construct new 'tourist corridors to place such as Palenque, and the Montes Azules Biosphere, that will dramatically reduce the time it takes to reach these areas (Burguete, Ledesma, 2009: personal interviews, San Cristóbal). Indeed this constitutes another part of FONATUR's integrally planned resorts. The aim in this case is to transform Palenque into the port of entry into the 'Mayan world'. All of these projects imply the necessary dispossession of the peasantry from their land.[28] This ecological model is thus a myopic one that does not include the indigenous people in its model, or at least claims to know their interests and assumes what sort of people they wish to become. As Neil Harvey (2006: 211) argues, state planners view Chiapas as "a region without people, without a history, but supposedly a future." Conflicts over these projects have escalated in recent years.[29] In explaining this situation, Mercedes Olivera (personal interview, San Cristóbal, 2009) argues "the government is defending its social and political project. Whatever group is against that is an enemy of the state."

The Zapatistas have remained resolute in the face of these processes. Despite the military encirclement, the autonomous communities have been maintained and remarkable achievements have been made in the face of overwhelming hostility. According to Tom Hansen (2009: personal interview, San Cristóbal), the new

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[28]This planned road will direct bisect two Zapatista communities.

[29]The most recent case has involved the arrest and detention of 8 *ejidatarios* from San Sebastián Bachajón (Chilón). This has taken place in relation to a long running dispute over who had the right to control cultural sites such as the famous Agua Azul and Misol-Ha waterfall (Bellinghausen, 2009).

generation of Zapatistas have "internalised a strong sense of pride in Zapatismo" giving them both a greater sense of confidence as well as a better understanding of where they want to go. They retain therefore a moral authority and continue to occupy a hugely symbolic reference for wider anti-capitalist struggles in Mexico and beyond.

7.12 Conclusion

It has been highlighted that the region of Chiapas has long been a site of political contestation through which important spatial developments have taken place. Under colonial administration this involved the reorganization of economic activity, and the division of space into territorial units of control. Although this mode of production did indeed produce its own distinctive space, it was one in which things remained produced *in space*, rather than space itself becoming the object for constant transformations for the production of surplus value. In examining how capital sought to transform space we explored the development of foreign capital investments around the 1890s and its affects on spatial practices within the state. It was demonstrated how labour relations begun to be fundamentally transformed and space began to be used instrumentally to facilitate greater profit returns. The changing dynamics of spatial production were then considered with the move towards the state mode of production during ISI. As was highlighted in the body of the chapter, all of these projects required a 'clash of spatializations' which negated indigenous *connaissance* through the imposition of a state based *savoir*. The development of capitalism within Chiapas was analysed as taking place both rapidly and unevenly, creating social divisions within communities, and threatening socio-ecological problems. In terms of how this was resisted, the chapter highlighted the consistent struggles of indigenous communities over land and territory. The most radical challenge to the logic of capital has come however from the Zapatistas who, since 1994 have offered a wholesale alternative geographical developmental project that has both transformed the reality of Chiapas, as well as Mexico and other parts of the world. This has demonstrated the importance of collective power over resources and also has had far ranging implications for theorisations of strategies of resistance, operating as it does on a variety of spatial scales, but without the taking of state power. This has forced

those on the left to challenge many long held axioms about the nature of political transformation and led to the Zapatistas being interpreted from a variety of standpoints ranging from 'postmodern rebels' (Burbach, 1994), 'new anarchists' (Graeber, 2002) to 'radical democrats' (Harvey 1999). However, the commonality of all these positions is the hope the Zapatista struggle represents for another world. In this sense Holloway (1998: 189) is surely correct when he argues that the Zapatistas are not a 'they, but a 'we'. In terms of the final question, the viability of this project, this remains of course an open question. In many respects, it will depend upon others accepting their invitation to join their struggle. What is certain is that from facing an existential threat, indigenous subjectivities remain alive and well in Chiapas, and remain a national and international reference point for the spaces of resistance.

2010 has however already witnessed increased repression against the autonomous communities, with dislodgements and heightened confrontations.[30] The Zapatista project thus stands at a critical crossroads. With elevated tension in Mexico, resulting from increased militarization (ostensibly to fight the 'war on drugs'), and centennial celebrations of the Mexican Revolution, it is ever more vital the Zapatista struggle reconnects with wider national and transnational movements of resistance. When questioned what the future held for the movement in the face of mounting state repression, one Zapatista (2009: personal interview, La Realidad) replied: "They want to bury us, but they have forgotten that we are seeds."

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[30]For more information see recent denouncements by the JBGs of La Garrucha and Morelia - http://enlacezapatista.ezln.org.mx/

Chapter 8

Conclusion

Reflecting upon the rise of fascism in Europe following the Great Depression, Lefebvre (1947/2008: 153) wrote:

> one day individualism begins to collapse (and not as a result of a crisis
> of ideas of 'world views', but because of a *material* crisis, both eco-
> nomic and political), and these erstwhile individualists rush headlong
> to form a crowd, a horde, urged on by the most insane, most loath-
> some, most ferocious 'ideas' leaving the last vestige of human reason
> behind.

It would not be hyperbolic to claim that today we are once again living in a period of worldwide material crisis. Alongside the economic crisis that has engulfed the global economy since 2007, we are also facing an unprecedented ecological crisis in the form of climate change (for a discussion see Castree, 2010). Adding to this general instability is the ongoing war on/of terror, that shows no signs of ending any time soon, and has been interpreted by some as a clear example of resource wars, linked to a new imperialism (Chomsky, 2004; Callinicos, 2009; Harvey, 2003).[1] Mexico, of course, has not been immune to these dynamics with

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[1]The New York Times recently revealed that roughly $1trillion worth of mineral deposits have been 'uncovered' in Afghanistan by pentagon officials and a team of American geologists (http://www.nytimes.com/2010/06/14/world/asia/14minerals.html?pagewanted=1&_r=1&ref =afghanistan - date accessed 26/07/10). It is worth pointing out that many of these minerals are what is known as 'rare earth metals' essential for use in green technology, as well as mobile phones and computers. Hitherto the market for these was almost exclusively monopolised by China.

record levels of violence connected to the war on drugs and rising unemployment, all of which has been used as a weapon against civil society groups demanding change.[2] What connects these issues together is of course the manner in which they are related to the dynamics of the capitalist mode of production. As Lefebvre (1976: 107) astutely notes "wars and cyclical crises have the same result: they liquidate excess (things and men)." Rather than viewing them as anomalies, they should instead be interpreted as essential moments in the cycle of accumulation, devaluation and a re-starting of accumulation. However, the spectre of climate change that is haunting the world is a scenario from which we may not be able to rebuild anew.[3]

It is against this background therefore that the 'big questions' are once again being asked, even if the answers are not yet known. For instance, we are forced to question what 'growth' means, what its affects are, and whether it can continue ad infinitum (more on this topic will follow).[4] Can global capitalism be reformed to become a more benign type of social democracy or new global Keynesianism as some are calling for? If not, what alternatives might there be, and how viable are these? Whilst not offering definitive answers, this thesis has sought to contribute to this debate (albeit in a modest way), not only by highlighting the problems with the spaces of capital, but also through an exploration of the spaces of resistance. In contrast to the view of Peck and Tickell (2002: 381), it would appear that neoliberalism is no longer "the common sense of our time." If crises do indeed provide the terrain favourable to the dissemination of certain modes of thinking, then it is vital that at this juncture we engage in critical reflection, utilising 'good sense' to move towards productive activity and the production of space that is a collective oeuvre. At the same time, as the quote at the beginning of the chapter highlighted, this must be tempered with the undeniable fact that during periods

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[2] In 2005, Mexico, together with the United States and Canada launched the 'Security and Prosperity Partnership' that in the Mexican case has been formalised though the Merida Initiative. Thomas Shannon, the U.S Secretary of State for Western Hemisphere affairs defined this purpose succinctly when he stated 'We are armouring NAFTA' (quoted in Carlson, 2008: 17).

[3] Some countries are nevertheless using global warming as the melting of polar ice caps to stake new territorial claims to resources - http://news.bbc.co.uk/1/hi/world/europe/6927395.stm (date accessed - 7/8/10).

[4] As David Harvey (2010: 27) has pointed out, the implication of this is that a rate of roughly 3% growth forever which requires ever increasing profitable investment opportunities. For an excellent discussion of the issue of growth and alternatives to it see New Internationalist (2010).

of material crisis, the potential also exists for the most reactionary form of ideas to take hold, which makes the task all the more urgent.

This conclusion will add some further reflections to these issues whilst relating them to the key themes that have been covered in the course of the research, namely, the production of space, class struggle, hegemony and passive revolution. It will be organised in the following manner. Section 1 will outline what the contributions of this research have been. Section 2 will recap the arguments that have been made in the preceding chapters, before Section 3 moves on to develop a number of crucial reflections for future developments, before final concluding remarks are made.

8.1 Contributions of the thesis

This thesis has highlighted how struggles over space are an essential feature of the global political economy. Through the analysis conducted at a variety of levels (abstract, meso, and concrete) that included two detailed empirical case studies, it has also furthered an understanding of uneven and combined development, in particular its relation to the historical sociology of state formation (extending into processes of everyday state formation). Unlike the extant literature on uneven and combined development within the historical sociology of international relations, the thesis sought to deploy the term both in a way that was attentive to issues of the spatial and furthermore, in a manner that was germane to contemporary struggles.

The multi-scalar analysis that the thesis adopted has also been vital to providing a corrective to perspectives that have hitherto focused solely on macro-historical structures, or the nation-state level, or conversely, the local area studies approaches that have failed to adequately theorise the inter-connections between the local, the national and the global. The concept of uneven and combined hegemony was deployed in an effort to overcome and transcend these separate follies, informed with both an abstract theory as well as empirical evidence that space and scale are, always socially produced and subject to change. It was through the medium of class struggles that changes were shown to come about, both through the efforts to expand space of capital accumulation, and through subaltern struggles resist this and to create counter-spaces, or spaces of difference. The notion

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of passive revolution - defined as a class stratagem that aims to defuse radical subaltern pressure through their 'statisation' and thus (re)absorption - was appealed to in order to help serve as a key explanation in how this occurred though processes of restructuring that have served to further the development of capitalist social relations. This concept thus can aid our conclusion not so much in providing an answer to Lenin's (1902/1987) famous question of 'what is to be done?' but rather as a strategic orientation as to what is to be avoided. As the idiom goes, forewarned is forearmed.

8.2 Results and prospects: a space odyssey

An overarching concern of this thesis has been with space, and class struggles to control the production of space (and thus the wider biophysical environment). Within Mexico, the existence of a clash between two distinct spatial projects has been empirically demonstrated. This is only likely to intensify in the coming years, not just here, but also within the wider world. Following the analysis set out in Chapter 2, the reason for this is to be located in the inherently expansionary logic of capital which remains tied to an ideology of growth controlled by the state (Harvey, 2001; Lefebvre, 1975/2009: 105). Capital, as was highlighted, seeks to create its own distinct geography. That is, it seeks to transform pre-existing spaces into abstract space, functional for further accumulation. However, as was made clear, two caveats remain that impede this. First, the pre-capitalist landscape on which capital unfolds, influences its trajectory (for instance in the form of the existing inter-state system which prevents a global 'law of value' being established). Second (and the greater subject of our focus throughout the thesis) resistance in the form of counter-spaces also thwarts capital's attempts to transform the world in the realization of its own rationality. Capitalism was therefore postulated not as a complete totality but rather as a system that aims towards totalisation (Lacher, 2006: 103-104).

This argument was taken a step further by exploring the changes in spatiality associated with the process of neoliberal restructuring, in the broad framework of the world economy (Chapter 3) and more specifically within the Latin American context (Chapter 4). In Chapter 3 the arguments of an influential set of scholars were examined in relation to debates surrounding the characterisation of space

under the latest phase of capitalism commonly characterised as globalisation. The implications this has for a politics of resistance was also critically explored. Key problems were highlighted in relation to the transnational thesis that included 1) a poor understanding of the production of space and scale, 2) the lack of an engagement surrounding the problematic of uneven and combined development and the role of the 'international' and 3) an inadequate theorisation of resistance with regard to key questions of space and place. However, as had been made clear in Chapter 1, in the case of the extant literature on uneven and combined development within the historical sociology of international relations, these arguments displayed both an overwhelming Eurocentism and also failed to engage with wider (largely geographical) literature on spatial theorising and its role in producing uneven development. Furthermore, their dominant focus of intellectual inquiry was in pre, or medieval history, rather than the modern era. Chapter 4 thus began the process of responding to this neglect in the existing literature by shifting the focus from Europe to the historical sociology of state formation in Latin America (while situating the region within the wider conditioning of the global economy). In particular this chapter explored the contradictions of ISI as a spatial and social project for development and inclusion that led to the rise of neoliberalism as the region's new developmental paradigm. This chapter thereby gave an empirically informed theoretical analysis of the logic of uneven and combined development that, at the same time, explored the creation of new spatial divisions of labour whilst concomitantly highlighting the resistances that this has provoked. Key issues that emerged through this discussion were those of passive revolution and *trasformismo* as elite class stratagems on the one hand, and the politicisation of space as a strategy for resistance movements on the other. Chapter 5 then shifted scales to examine these general trends in more empirical detail. This is a vital step for capturing both the *specific* and the *general* conditions of state formation as Marx (1875/1996: 892) makes clear. In this chapter, passive revolution and hegemony were deployed in relation to understanding the production of space and scale in modern Mexico. Following the general analysis set out in Chapter 4, the contradictory dynamics of capital accumulation tied to the spatial projects of ISI were revealed in greater detail and the tensions that have resulted from the neoliberalisation of space were briefly discussed. This allowed these tensions to be more fully explored in Chapters 6 and 7. These latter

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two chapters sought to synthesise all the key theoretical points established in the preceding chapters as well as constructing new insights from empirical investigation into movements of resistance. These chapters thus served multiple functions. These included exploring how the shift from one mode of production to another alters the production of space, yet at the same time how pre-capitalist spaces and social relations alter the topography of capitalism as they unfold in symbiosis (the 'combined' part of uneven and combined development). These chapters also sought to provide a corrective to studies that have either focused solely on the national scale, or conversely have sought to explore local dynamics without attention to shifting national and global scales. This was accomplished through considering the dynamics of passive revolution at a sub-national scale and through the development of the concept of uneven and combined hegemony. Lastly, these chapters responded to the lack of engagement in the historical-geographical materialist literature with concrete movements of resistance, by conducting a detailed discussion of emergent alternative geographical projects that have been formed with the loose coalition of movements associated with the APPO in Oaxaca, and the struggle of the EZLN in Chiapas.

8.3   Future orientations

Many radical intellectuals have borrowed from Gramsci (1971: 175), citing in regard to social transformation that they retain pessimism of the intellect but optimism of the will. However, this is surely no longer sufficient (if it ever was), as what is required is *both* engaged purposeful (optimistic) intellectual activity, *combined* with an optimism of the will to put ideas into action. As has been made clear in Chapter 7, this relies on a break from institutionalised knowledge (*savoir*) and must instead be based upon an embedded, reflective and critical form of knowledge (*connaissance*).

John Holloway (2002a: 53) has argued that an essential aspect of transforming the world is to direct both critical thought and action towards fetishism (a form of reification that endows commodities with a life of their own). However, the issue of fetishism can be approached in two different ways. The first of these is what he calls 'hard fetishism'. On this view, capitalist social relations are treated as an established fact that were constituted at some historical juncture and now

stand as a 'thing' to be destroyed at some point in time (presumably when the 'balance of forces' allow). Given what has been argued in earlier chapters with regard to the persistence of spaces of resistance, coupled with the warning not to ascribe rigidity or coherence to a category such as 'mode of production' this is a view we should clearly reject. A more fruitful approach can be found in what Holloway calls 'fetishisation as a process'. This postulates capitalism not as having an objective and durable existence, but rather stresses how it is a contested set of social relations that must constantly seek to (re)produce themselves in new (and profitable) ways (Holloway, 2002a: 78-89). This view is helpful for two main reasons. First, as was highlighted in Chapter 2, we must defetishise space in order to change it. Whereas capital remains tied to blind 'ideologies of growth' social criticism must stress how 'growth' is often predicated on the exploitation of labour and the destruction of natural resources. This can aid debates as to what growth we want (if any), how to link growth to socially useful endeavours, and lastly how we then define what is fact is socially useful. Second, viewing fetishism this way serves as a more empowering tool for social movements as whatever power-over capital contains it is based on a our own power-to (as discussed in the previous chapter). This clears the way for enacting collective power to achieve political transformation as it recognises that non-alienated forms of labour, fulfilment etc, are not things that are to be constructed following some final messianic battle, but rather exist in the here and now, albeit often as thwarted tendencies (Lefebvre, 1976: 16). Fetishisation as a process conforms to the understanding of class struggle that has been stressed throughout this work, as a relational category rather than a fixed identity. The import of the concept of passive revolution is that it points us towards the very dangers of how these class struggles can be absorbed and their emancipatory tendencies blocked (see also Morton, 2011). Thus, it is precisely when action is informed by this alternative view of fetishisation, and cognisant of the dangers of passive revolution that real changes can begin to occur. As Lefebvre (1964/2009: 60) elucidates in relation to this point: "once social forces begin moving, everything happens, as if under this house, under this edifice that seemed solid and balanced, the earth begins to move. And there promptly appear fissures where once we saw a vertical rock face."

How can we best reflect on the future of these developments? Gazing through a crystal ball to make concrete predictions is neither possible nor desirable. Nev-

ertheless, certain empirical trends can still be observed and challenges theorised. In this sense two related issues stand out as perhaps the most significant. The first is the challenge that social movements seeking to construct counter-spaces face in attempts by the state to reabsorb them through passive revolutionary tactics. The second issue relates to understanding this mode of struggle within the broader dynamics of what is occurring in Latin America.

Within Mexico (as well as worldwide) globalisation has been characterised not only by a 'rollback' of welfare measure associated with the 'developmental state', but also a 'roll-out' of new measures involving the active construction and normalisation of neoliberal space (Peck and Tickell, 2002: 384, see previous chapters for details of this). However, this effective removal of the subaltern classes from 'controlled inclusion' is not without its problems as the last two chapters have shown. Indeed as Robinson (2008: 280) has aptly noted, the crucial class function that the state plays within capitalist social relation has become impeded by its perceived lack of legitimacy. However, he is surely wrong when he claims that all forms of responsibility, however minimal, have been abandoned (Robinson, 2008: 320). Rather, as Peck and Tickell (2002: 396) have argued, it has been necessary to construct "new modes of institution building designed to extend the neoliberal project, to manage its contradictions, and to secure its legitimacy. As was detailed in Chapter 2, Robinson (2003, 2004a, 2008) has argued that the transnationalisation of capital has also seen the formation of a transnational state apparatus - defined as a loose organisation of international and supranational economic and political institutions that co-ordinate policy.[5] However, in his urge to see the macro-structures governing the global economy, Robinson's analysis elides the micro foundations of what can be called everyday forms of (transnational) state formation. This concept will now be briefly explicated and its reference to the continuance of passive revolutionary tactics made clear.

One aspect of this dialectic between neoliberal rollback on the one hand, and roll-out on the other, has been the 'outsourcing' of state activities to NGOs (Roberts *et al.*, 2005: 1848; Petras, 1997: 17; Robinson, 2003: 227). Sarah Radcliffe (2001: 22-34) notes that this is not only leading to new geographies of state building and state formation, but furthermore, the lines between government (state) and non-government are becoming blurred with multilateral agencies.

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[5]For a blistering critique of the transnational state thesis see Cammack (2007).

NGOs and civil society organisations all contributing to development trajectories in new hybrid institutions. In other words rather than seeing state formation as simply taking place on a wider spatial scale (as the TNS thesis states) there is now a complex process of state formation taking place across a variety of spatial scales (see also Radcliffe, Laurie and Andolina, (2002)).

At a subnational scale this has involved a shift to what is known as 'culturally appropriate development' (see Chapter 7). Nevertheless, this frequently still takes place with a neo-colonial mentality which views indigenous peoples as subjects to be 'developed' by an outside agency (Wainwright 2008). Evidence for the following can be found in an Inter-American Development Bank paper which argues with regard to indigenous development: "the virtuous circle between culture and development can be achieved only to the extent that *development experts* understand the local culture and create genuine opportunities for participation (Deruyttere, 1997: 11, emphasis added). This is clearly an attempt to tie subaltern classes firmly to wider transnational networks linked to fundamental neoliberal projects. In other words, what is happening is an everyday form of transnational state formation, or a passive revolution in everyday life. James Petras (1997) documents how NGO activity often leads to a new relation of dependency on outside donors who are non-accountable to the population.

Moreover, NGO activity often (although not exclusively), favours projects and micro-enterprises in a particular locale at the expense of social movements activism that would look to frame struggles within a wider set of analytics. NGO activity can thus be related to the production of scale, in the sense that their presence is frequently about establishing the (limited) boundaries of activity. In this respect their proliferation can be seen in the broader context of what Stephen Gill (2008: 132, 177) has referred to as the 'new constitutionalism', whereby citizenship rights and representation are conferred to capital, whilst insulating them from wider democratic debate. NGOs thus serve the social function of putting into practise discourses of 'good governance' and 'local participation', essentially acting as the local facilitators of *trasformismo*. Tom Hansen (personal interview, Tlaxcala, 2008) points out that even when NGO workers are well intentioned, the difficulty that comes with the model of organisation is that it is a professionalised bureaucracy governed by its own logic of having to attract money and resources as well as needing to demonstrate results to their funders (who are often external

bodies). However, he questions whether the construction of autonomy (a central demand in both the struggles of the EZLN and the APPO) is something that can be quantified and put into facts and figures.

Mindful of the explication rendered in Chapter 5, which detailed that passive revolution should serve as a category of interpretation rather a particular program, we must remain attentive to the manner in which new forms of state formation seek to reabsorb subaltern struggles such as those represented by the EZLN and the APPO. Recalling the discussions from Chapter 7 relating to the decline of PRI hegemony in Chiapas from the mid 1970s onwards, and also bearing in mind Stephen Gill's (2008: 58) assertion regarding hegemony and passive revolution representing two points on a continuum, a convincing case can be made that the rural cities project is - in this case quite literally - a concrete manifestation of a passive revolutionary initiative articulated at a sub-national scale. In other words, it represents precisely an attempt to at everyday form of transnational state formation, seeking to re-inscribe recalcitrant elements of the population into a development project that would create a historical bloc stretched across a variety of spatial scales (e.g. production of agricultural goods linked to global commodity prices, through a national neoliberal project, that in Chiapas will be manifested in peculiarities of local conditions and history of uneven development). In the case of Oaxaca, the manner in which to approach the danger of passive revolution is somewhat different. At the time of writing (July 2010) the local state is undergoing a period of historic political transition. Gabino Cué Monteagudo, though the efforts of the *Coalición Unidos por la Paz y el Progreso* (CUPP, United Coalition for Peace and Progress), a coalition that spanned the whole length of the political spectrum, triumphed in the gubernatorial elections on July 4th, ending the 81 year dominance of the *Partido Revolucionario Institucional* (PRI, Institutional Revolutionary Party) in the state. The coalition also won 90% of the posts in the other state elections held in Oaxaca on the same day. In the context of the repression that the state has undergone in recent years, this has been a cause for jubilation for much of the population. However, this must be tempered with a note of caution. A political revolution does not necessarily translate into a social revolution as Chapter 5 demonstrated.[6] The election

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[6]The distinction between a political revolution and a social revolution was made originally by John Reed (1919/2006: 36) in his discussion of the Russian Revolution.

of Gabino Cué was clearly bought about through the power of civil society. The question is whether this process of formal democratisation is now used to defuse social movements seeking a more thorough going process of democratisation based and whether civil society retains its initiative.[7] Can they force the governor to 'lead by obeying' or will sub-national democratisation result in a new local articulation of passive revolution? The words of Henri Lefebvre are prescient in both these cases. Although he never used the term passive revolution, he nevertheless usefully points to the dangers of it, warning social movements of "the triple trap of *substitution* (of authority for grassroots action) *transfer* (of responsibility from activists to the 'leaders') and *displacement* (of the objectives and the stakes of social protest to the goals set by the 'bosses' who are attached to the established order" (Lefebvre, 2003: 99, emphases added).

In branching out to wider spatial scales, how then can we square the tactics of these Mexican social movements with the wider changes that are taking place in Latin America? In a series of polemical responses to John Holloway's (2002a) thesis of changing the world without taking power, many have sought to point to examples in countries such as Venezuela, Ecuador or Bolivia to highlight conversely the necessity of *taking* state power in order to achieve social justice (see *inter alia* Robinson, 2008: 341-348; Wilpert, 2006). However, far too much intellectual energy has been expended on this now relatively stale debate. Far more important is the *strategic direction* in which a movement is heading. This requires us to go back to the fundamental Marxist critique of the state as a special type of organisation that is super-imposed upon society rather than subordinate to it (Marx 1875/1996: 892-893; Lenin, 1917/1987b: 301). Neither Marx nor Lenin thought structures of authority would disappear overnight. Rather what their critique illustrated was the necessity of extending the participation of the subaltern over their everyday lives. What one has to examine therefore is whether social struggles are reconstituting society as society or in fact reconstituting the power relations of the state (Lefebvre, 1976: 125). Genuine freedom after all requires "the exercise of *effective* power" (Lefebvre, 1947/2008: 172). This again is where the concept of passive revolution can aid us, as we need to be attentive

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[7]Ellen Meiksins Wood's (1995: 15) argument that extending the remit of democracy beyond its current narrowly-defined limits would present the greatest threat to global capitalism is pertinent in this regard.

to not only to where the initiative for social change comes from, but also as to whether this participation becomes a permanent feature of social life or remains restricted to privileged moments (see also Morton, 2011).

8.4 Final reflections: the struggle for utopian space

Through a witty amalgamation of two Greek words, Thomas More (1997) in his classic novel *Utopia* defined the word as the 'good place' that was in fact 'no place'. With this in mind, one can make sense of Lefebvre's (1996: 151) argument that everyone who has plans to change the world must be thought of as a utopian. Consider the logic of capital as it has been outlined in the preceding chapters. What is it trying to do, if not to create what it deems to be a good place (where the conditions for capital accumulation can flourish) from not yet existing places (in the indigenous regions of Oaxaca or Chiapas where little in the way of capitalist social relations currently exists)? On the other hand, resistance movements are not seeking to hold place and space static, nor as Chapter 6 and 7 indicated do they simply aim to return to traditional forms of community.[8] Rather, they are seeking the transformation of their environment to something that as yet, is not a reality. David Harvey (1996: 436) has postulated resistance as a "living utopianism of process" rather than a fixed and non-dialectic utopia that itself did not recognise the transitory nature of its own form. It was this aspect of transformation that Lenin (1917/1987b: 330-332) failed to grasp, believing instead that with revolution came a withering of democracy. However, democracy itself (understood in its true meaning as the rule of the people) is not a stable condition but rather a constant process in action (Lefebvre, 1964/2009: 61). What we can therefore observe in Mexico, Latin America and perhaps the world as a whole is a battle over the meaning of utopia, defined as the clash between the spaces of capital and the spaces of resistance.

It is clear that these spaces of resistance face many challenges. Foremost among them is the need to 'scale up' their activism whilst avoiding becoming

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[8]Although as Marx (1871/1996: 877) noted, "It is generally the fate of completely new historical creations to be mistaken for the counterparts of older and even defunct, forms of social life, to which they may bear a certain likeness."

reinscribed into the state apparatus and neutralised via means of passive revolutionary activity. This will be far from an easy task, and the future of these struggles can by no means be assured. However, for now, we can simply say a crack has been opened in history. This crack can serve as a window from which we may glimpse, if only fleetingly, another world: another world that is possible and ever more necessary.

List of interviews

Burguete, A (Professor, Centro de Investigaciones y Estudios Superiores en Antropología Social (CIESAS)), San Cristóbal 07/06/09 (11am)

Castro-Soto, G (Director, Otros Mundos, member of REDLAR) San Cristóbal 09/06/10 (3pm)

Cruz, K (member of Zapoteco community Santa Cruz Yavaila) 14/06/10 (3.30pm)

Davis, N (author and journalist) Oaxaca City, 20/05/09 (11am)

Esteva, G (academic, journalist, and Director, la Universidad de la Tierra, Oaxaca) Oaxaca City, 07/04/08 (11am) and 08/06/09 (2pm)

Hansen, T (Director, Mexico Solidarity Network) Tlaxcala, 09/03/08 (12.30pm) and San Cristóbal, 10/06/09 (4pm)

Holloway, J (Professor Universidad Autónoma de Puebla, BUAP) Cholula, Mexico 20/03/08 (11.30am) and 11/05/09 (12pm)

Junta de Buen Gobierno, La Garrucha 26/04/09 (3pm)

Junta de Buen Gobierno, La Realidad 23/04/09 (11am) and 25/04/09 (4pm)

López, C (member of CODEP) Oaxaca City, 21/05/09 (8pm)

Ledesma, E (Director, CAPISE) San Cristóbal, 10/06/09 (2pm)

Maldonado, B (anthropologist and author) Oaxaca City 21/07/09 (5pm)

Meier-Wiedenbach, J (Global Exchange) San Cristóbal 27/03/08 (3pm)

Morquecho, G (Journalist) San Cristóbal, 27/03/08 (5pm)

Olivera, M (Centro de Estudios Superiores de México y Centroamérica. CES-MECA, Centre for Higher Studies of Mexico and Central America) 09/06/09 San Cristóbal (9am)

Ross, J (Author and journalist) Mexico City 09/04/08 (2pm) and 17/06/09 (2pm)

San José del Progreso community member 1, Oaxaca City 30/06/09 (4pm)

Santiago, J (former director Desarrollo Económico y Social de los Mexicanos Indigenas, DESMI) 05/04/08 (4pm)

Valencia Nuñez, R (former APPO advisor and member of Voces Oaxaqueñas Construyendo Autonomia y Libertad VOCAL) 23/05/09 (11am)

Venegas, D (former APPO advisor and political prisoner, member of Voces Oaxaqueñas Construyendo Autonomia y Libertad VOCAL) 17/06/09 (2pm)

Zapatista Education Promoter, La Realidad (25/04/09) (2pm)

Zapatista 1 in La Realidad 24/04/09 (4pm)

Zapatista 2 in La Realidad 25/04/09 (3pm)

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