

Globalization's Impact on Indigenous Peoples  
in Mexico and Bolivia

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### **Abstract**

Globalization has presented itself in many different forms, affecting nearly all people of the planet. While much attention is paid to the extreme positive and negative impacts, the process has created both winners and losers. The same mixed result can be seen amongst the indigenous peoples of Mexico and Bolivia. These two significant indigenous populations have faced sizable challenges due to the integrating economic, political and cultural landscape. Nevertheless, the forces behind globalization have not only provided a means for resistance, but also a chance to confront the long-standing marginalized status of indigenous peoples. Despite these efforts, the effectiveness of political and social leaders as well as the policy of developed nations and multilateral institutions will determine the lasting impact of globalization.

### **The Contrasting Views of Globalization**

The complex processes of globalization have had far reaching effects on nearly every person on the planet. While the changes in communication, trade, political regimes and culture have been beneficial to many, globalization's impact on indigenous peoples has often contrasted greatly with the experience of the majority of the western world. However, selectively viewing only the negative consequences of global integration ignores the opportunities and grounds for change that have also resulted. Both Mexico and Bolivia contain large indigenous populations that have struggled against corporations, politicians, and outside forces while also utilizing globalization to challenge their long-standing inferior position in society.

Tavanti (2003) views globalization as a double-edged sword, one side made up of the “declining capacity for collective action on the part of marginalized racial groups and classes in society”, while the other “produces a process of social re-articulation in the creation of new strategies of resistance.” (p. 2) It's clear that the same forces that bring about environmental damage, social displacement and a degradation of the indigenous culture also pave the way for alternative methods of development and

global resistance movements. This dual-reality is demonstrated among the populations of developing nations most affected by globalization. Schroeder (2007) explains:

As key sectors of the Bolivian population struggle against an integration into the global economy that puts demands of a global market ahead of the needs of a local population, others embrace globalization as the only rational approach to improving standards of living in, at least, their region of the country. (p. 115)

Indigenous people are often those in the poorest position to take advantage of the benefits of a globalizing economy and feel marginalized by the process, but they also experience an enhanced ability to communicate globally and increase their voice after centuries of disenfranchisement. Globalization could be classified between two alternatives. One is “globalization from above,” or the institutional change in political frameworks as well as efforts by multilateral organizations. The other is “globalization from below,” or the building of political networks and communications whether it be for social movements or e-commerce. Both of these forces are having profound impacts on the indigenous peoples in Mexico and Bolivia.

### **Indigenous Populations in Mexico and Bolivia**

Mexico and Bolivia both have significant indigenous populations. Bolivia's indigenous group is the largest proportionally in South and Central America with 71% of the total population. While only 14% of Mexico's population identifies as indigenous, the total number of inhabitants is the greatest in the region at over 13 million (Deruyttere, 2001, p. 2). This demographic makeup has resulted in significant but differing collective action being taken by indigenous groups in these nations. The large proportional population in Bolivia has manifested in political power, popular demonstrations and the election of the nation's first indigenous President. Radcliffe (2002) says that in the Andean republics, “indigenous peoples currently have considerable political legitimacy.” (p. 4) On the other hand, the sheer numbers in Mexico have made the Zapatista movement one of the most successful worldwide

solidarity efforts.

At the same time, it is important not to portray the indigenous populations as a homogenous ethnic demographic. While the experiences among them are similar, there are 400 different ethnic groups in the region, each one with a distinct language and unique social organization, economy and system of production which is adapted to the ecosystems they inhabit (Deruyttere, 2001, p. 2). These differences present themselves in different struggles, each with an unparalleled story. It is only by looking through specific instances of success and exploitation that one can get a true sense of the experience of indigenous people in the face of globalization.

### **Defining Globalization**

There are many definitions put forth in order to encapsulate all elements of globalization. All of these elements have had consequences for the indigenous people of Mexico or Bolivia. At the simplest level, globalization is the process of integration among nations of the world. This integration takes the form of trade agreements, multinational corporations expanding their influence, internet communication, the movement of people across borders and growing power of multilateral institutions like the International Monetary Fund (IMF). These political, social and economic changes have been driven by advances in technology, the promotion of the neo-liberal “Washington Consensus”, and the untapped potential for corporations in foreign markets. The impacts of all of these forces will be discussed in a broad sense and also in the context of specific events.

### **The Promise of Economic Growth**

The forces behind globalization have resulted in harmonization that has brought with it the promise of economic growth and prosperity through increased trade, foreign investment and transfer of knowledge. As a significantly marginalized group of society, indigenous peoples are in a poor, disadvantaged position to truly reap the benefits of these trends. In Bolivia, the reduction in poverty between 1991 and 2001 showed significant regional differences, with the areas seeing increases in

poverty being exclusively highland, rural and indigenous (Schroeder, 2007, p. 102). Recent investments and projects by multinational corporations have been taken place in areas with a large indigenous population. In January 2009, Mexican President Felipe Calderon inaugurated the largest wind-power project in Latin America, made possible by both Mexican and Spanish firms, in the state of Oaxaca by saying that projects like it will allow for the revitalization of an important area of Oaxaca (Latin Wind-Power, 2009). While significant amounts of jobs and ongoing economic activity will result from the project, issues such as the resulting displacement of poor farmers creates doubt as to whether this form of investment will truly be good to those it promises to benefit.

The mixed blessing of outside investment has mirrored other forms of economic development as a result of globalization. The rise of eco-tourism and popularity of indigenous art have undoubtedly brought about an increase in income, but often at a cost to culture and environment. In addition, other movements, such as fair trade and organic farming have had positive results.

### *Eco-Tourism*

While tourism has led to globalization in other areas such as transportation, communications and financial systems, the benefits have often not “trickled down” or benefitted indigenous peoples (Pera, 1999). On the other hand, governments claim that tourism will contribute to economic growth, conserve cultural heritage, protect indigenous rights and alleviate poverty. The major dilemma is that tourism incorporates people into the global economy, while a majority still remain poor and without access to productive resources (Zoomers, 2008, p. 981). In addition, issues pertaining to environmental pollution, displacement, human rights abuses, unfair labor practices and the commodification of cultures have outweighed many gains experienced. Juarez (2002) asserts that tourist-related developments have in fact opened up new economic opportunities as Mayas in Mexico are increasingly unable to sustain themselves. (p. 117) However, what has brought about this inability may also be attributable to globalization.

### *E-Commerce*

The online sale of indigenous art brings about a similar situation. The growth of commercial websites that sell indigenous art has opened up a new possible area for economic development. At the same time, there are concerns about the cost to indigenous culture. Rivers (2005) explains the opposing viewpoints of the impact of e-commerce:

The online sales of indigenous art to a global market can be understood as a potential vehicle for appropriate economic development, sustainable development, and a means to continued or renewed self-reliance of indigenous culture. Alternatively, it can be understood as displaying potential characteristics of cultural domination, even exploitation, of culture for sheer economic gain. (p. 2)

While there is a legitimate concern for the possibility of cultural exploitation, this contrasts greatly with the potentially catastrophic risks of tourism. The increased use of e-commerce does not put community, culture, dignity or basic survival in danger, but is rather a promising method for indigenous people to become part of the global marketplace on their own terms.

### *Alternative Trade*

Support from organizations in the United States and Europe have also brought about positive economic development. The indigenous people of Chiapas, Mexico are mostly coffee producers, but have been forced into poverty and hunger by free trade policies. As a result, alternative methods of development have arisen, with farmers investing their efforts into organic production and fair trade while being supported by solidarity organizations (Tavanti, 2003, p. 2). The Zapatistas, a leading indigenous resistance movement in southern Mexico, have created an Alternative Economy Program which encompasses elements of e-commerce and fair trade. This program involves Zapatista women in a cooperative making traditional clothing at home while establishing a direct relationship with buyers with a view towards solidarity (Smith, 2009). These alternative models which seek to pay stable and fair prices to producers while encouraging positive community development have been able to mitigate

some damage brought about by globalization. These models provide the opportunity for further betterment.

Overall, the promised economic benefits of globalization have not been received by indigenous peoples, especially those in Mexico and Bolivia. Many of the developments have brought with them critical environmental and cultural costs which have undone a lot of the potential gains.

Simultaneously, unforeseen benefits from e-commerce and alternative trade models provide new paths to development and prosperity. In addition to these additional paths, globalization has also brought with it several overwhelming challenges with severe negative consequences to indigenous peoples.

### **Clashes of Globalization and Indigenous People**

The social, political, and economic harmonization of the world has undisputedly created numerous instances of negative repercussions for indigenous peoples of Mexico and Bolivia. As the governments of these countries negotiate with corporations, western nations and multilateral institutions, a tradeoff is made between the costs and the benefits to the countries. Indigenous peoples, already in a marginalized position, often bear the damage imposed by these agreements and other supranational declarations. Not only are these costs imposed due to disenfranchisement, but also contributing are a lack of understanding of indigenous culture and history.

#### *NAFTA and Ejido Lands*

The North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico was a groundbreaking agreement, linking the economies of two developed nations and a developing nation. While NAFTA has resulted in increased trade, and the Mexican economy has grown significantly since its inception, many of the direct consequences of the agreement have adversely affected indigenous peoples in Mexico, primarily located in southern Mexico. In addition to the consequences of specific articles of the agreement, the indirect results of economic restructuring have had similar ramifications.

The constitution of Mexico grants certain rights to indigenous people. However, Article 27, which granted village-based communal lands called *ejidos* and individual plots to landless peasants was reformed as a condition to NAFTA (Smith, 2009). While the sale, rental or use as collateral of these lands was prohibited before 1991, the removal of these provisions opened up the lands for privatization (Blaser, 2004, p. 245). While this was good for landowners who planned to expand commercialized agriculture in the region, the poor farmers of the region were put in a precarious situation. As one might expect, the sale of these plots of land first resulted in a re-concentration of land in the hands of large landowners (Blaser, 2004, p. 245). In many cases, the compensation given for this land was very small, leading to significant amounts of displacement (Smith, 2009). Farmers, left without land, were forced to find work and buy food from the United States, leaving them vulnerable to world food prices. According to Graciela Coque, a Bolivian indigenous leader, “Before, Mexicans grew their own corn; now they have to get it from the US at the US price.” (Ledebur, 2004). The conditions leave many with little food security and searching for a way to survive, often going into service-sector employment in the tourism industry (Pera, 1999). While there was an increased availability of jobs due to NAFTA, one-third of “NAFTA” jobs have since been lost to Asia, while the excess supply of labor has actually driven wages down (Smith, 2009).

The abolition of *ejidos* was not the only element of NAFTA that contributed to displacement, land concentration and vulnerability. While NAFTA resulted in the end of subsidies to small, Mexican farmers, it did not do the same for the United States' large agricultural subsidies. This uneven policy, combined with the abolition of *ejidos* caused significant displacement and susceptibility to market forces. According to Collier (2005), the disbanding of infrastructural supports as well as the phasing out of price supports, gave the appearance that the government was willing to sacrifice rural producers to unfair competition. (p. 452) As a result of the flood of cheap corn into the Mexican market, peasant-indigenous communities, like those in Chiapas, became more vulnerable to the cycles and fluctuations

of global capitalism (Tavanti, 2003, p. 3).

The changing landscape of agriculture is not just localized to southern Mexico and NAFTA. It's estimated that 90% of indigenous peoples are subsistence farmers (Deruyttere, 2001, p. 3). As commercial agriculture expands, population continues to grow and the terms of trade of subsistence foods have deteriorated, many indigenous farmers have been obligated to abandon their traditional practices (Deruyttere, 2001, p. 3). As seen with the resulting impact of NAFTA, uneven agreements and liberalization often leave indigenous peoples with few alternatives and put them in a much more vulnerable situation.

### *Environment*

Indigenous peoples traditionally have very close ties to their land and surrounding environment. Zoomers (2008) explains the connection to the land for Andean villagers:

People are attached to their mountains and valleys; local tales and legends reflect the natural environment's importance in daily life. Mountains are mentioned by name, and as people read the landscape in their own way, there are multiple interpretations of local reality. (p. 973)

It is because of this connection to the land that the environmental issues associated with globalization are so important. Unfortunately, the natural environment in most areas has deteriorated over recent decades (Zoomers, 2008, p. 974). The causes of this deterioration vary. Certainly, tourism, investment and the increase in unsustainable farming practices have been at least partially to blame. In southern Mexico, the rainforests are some of the most biologically diverse in the world aside from the Amazon, but recent developments in hydroelectric projects and mining have caused significant ecological damage (Smith, 2009).

An emerging concern has been the contamination of indigenous varieties of maize with genetically engineered (GE) corn varieties from the United States. In a 2001 finding by scientists from the University of California at Berkeley, it was found that 3 to 10 percent of maize seed was

contaminated (Mander, 2006, p. 145). Subsequent tests have yielded differing results, but the worry remains. Despite the lack of evidence for health risks as a result of genetically modified maize, many indigenous people have actively responded. According to one indigenous farmer from Oaxaca, “to contaminate it with [GE] maize is a crime against all indigenous peoples and farming communities who have safeguarded maize over millennia for the benefit of mankind.” (Mander, 2006, p. 146) Time will tell whether GE maize is a real threat to the health of people and animals.

The environmental struggle of indigenous people was exemplified by the 2000 oil spill along the Desaguadero River in Bolivia. In January 2000, an oil pipeline operated by Transredes, a subsidiary of Enron and Shell, broke open, creating one of the gravest environmental disasters in the nation's history. The results of the spill were disastrous with twenty-nine thousand barrels of petroleum dispersing over nearly a million acres of indigenous land (Shultz, 2009, p. 45). Enron and Shell had taken a fifty percent stake under pressure from the World Bank in the promise of developing the nation's oil industry for the benefit of Bolivia. Unfortunately, an official Bolivian review later revealed that they had only invested one-fourth of what was agreed upon (Shultz, 2009, p. 49). In addition, Transredes admits that the company had been warned in advance of a possible disaster, but chose not to act (Shultz, 2009, p. 52). The contamination reached community-owned grazing lands and water sources, affecting nearly every part of the lives of the people of the Desaguadero. Oil was found “sandwiched” between the earth and the lush, and the fertile season did not come as it had before (Shultz, 2009, p. 57).

The resulting cleanup efforts and inadequate compensation seem be much more of an injustice than the spill itself. Transredes responded by first telling people that the oil was fertilizer, and then going on a massive public relations campaign to portray the spill and cleanup efforts in a positive light (Shultz, 2009, p. 49). The cleanup itself was carried out by three thousand locals who later ended up sick as a result of oil exposure (Shultz, 2009, p. 57). Thousands of people went to company doctors

lacking expertise on oil exposure, suffering from nausea, stomach pains, headaches and vision problems. In addition to ignoring future health effects, the medical reports only refuted the relationship between symptoms and oil. The company veterinarians saw more than 250,000 animals, and declared that none had symptoms related to the spill, contrary to the company's private reports (Shultz, 2009, p. 58). The company's compensation package did little to match the damage caused. Small sums were paid to those affected, and contracts were imposed on people who did not understand their rights or the consequence of the agreement (Shultz, 2009, p. 60).

The spill along the Desaguadero is a metaphor for many of the problems facing indigenous peoples in light of globalization. The pipeline running along the river was meant to benefit both Bolivia and the rest of the world. However, highland and indigenous Bolivians did not see any of the benefits, only the risks associated with the construction and operation. Their already marginalized position left them vulnerable and incapable of seeking a fair resolution. The other environmental issues contain many parallels. In many cases, investments and projects meant to enrich people on the outside are undertaken at the expense of indigenous peoples. Fortunately, they have recently enjoyed increased political participation and recognition, providing some protection to a previously susceptible population.

#### *Control of Natural Resources – Water and Gas*

Privatization of natural resources is meant to bring about large efficiency gains, investment and accountability. However, in the case of Bolivia, privatization pushed by the World Bank has been controversial. In 1999, the Bechtel corporation signed an agreement to control the city of Cochabamba's water for 40 years, with a guaranteed profit of sixteen percent per year (Shultz, 2009, p. 16). Neither the people of Cochabamba, the local government or the Bolivian government had the means to make the necessary investments in infrastructure. However, while many people see this as a purely economic issue, there is a spiritual objection in Bolivia to putting water into corporate hands

(Shultz, 2009, p. 40). For a resource vital to survival, efficiency should be secondary to equal access. Nevertheless, the coverage area and price increase made water unavailable to the poorest people. The average increase in price for the poorest users after privatization was 43 percent (Shultz, 2009, p. 19). However, despite the large contract signed with the government, public pressure and demonstration led to a quick return of water into the hands of a public company.

In El Alto, the water has been operated by Suez, a large French water corporation. Suez chose to exclude communities without infrastructure which would be costly to provide and established the areas around where pipes were already in place as the “service area.” On the other hand, the public company that eventually took control from Bechtel in Cochabamba increased the number of families it needed to serve by 14 percent (Shultz, 2009, p. 36-37). It will be difficult for Bolivia to effectively supply water, especially to the rural and indigenous population, while excluding foreign investment. Nevertheless, privatization excluded access to people and was detrimental to those in the weakest position. The people affected responded accordingly, and now have the opportunity for autonomous development.

A similar policy has been attempted in the case of Bolivia's oil and gas reserves. Bolivia has historically gone through several phases of privatization and nationalization of its oil and gas industry. Between 1993 and 1997, President Gonzalo Sanchez de Lozada initiated several neo-liberal economic reforms in partnership with World Bank and IMF economic planners (Shultz, 2009, p. 86). Contained in the plan was the privatization of state enterprises in order to create jobs, boost investment and fund a pension plan for Bolivia's elderly (Shultz, 2009, p. 86). The answer was public-private partnerships or “capitalization” that ultimately left Bolivia with little control of its natural resources. Unfortunately, capitalization did not lead to a modernization of the industry or new industries. While the oil and gas companies operating in Bolivia had a ten to one return on investment, unemployment jumped from 3 percent to 11.7 percent and the gap between rich and poor grew sharply during the period of

capitalization (Shultz, 2009, p. 88). In addition, the 135 percent more oil and gas that was being produced seven years after capitalization only translated to a 10 percent increase in government revenue (Shultz, 2009, p. 89). Plans by subsequent presidents have returned some control to Bolivia, with current President Evo Morales embarking on a plan to nationalize the industry by buying back share in the public-private partnerships.

In the case of oil and gas, potential gains in the future for indigenous people were put aside while valuable resources were extracted. Even though investment has contributed to increased production, revenues that could contribute to rural development and social projects have instead gone towards foreign corporations. The reaction of the people in Bolivia leaves reason for optimism. As a result of popular demonstration and the election of the nation's first indigenous President, Evo Morales, Bolivia may once again be on a path towards using its oil and gas for the well-being of its people.

#### *The IMF's Prescribed Fiscal Policies*

The conditionality attached to IMF development loans are the most controversial element of the organization's operations. By requiring a balanced fiscal budget that can only be achieved through reducing public spending, laying people off in the public sector, reducing subsidies as well as insisting on trade liberalization and privatization of natural resources, the IMF puts the economy and those most dependent on government help at risk. The IMF often has a limited perspective and is not able to adapt well to local needs nor effectively implement a plan to end fiscal deficits.

In the case of Bolivia, these tendencies of the IMF have been nearly constant. As mentioned earlier, it played a large part in the privatization of water, oil and gas, cutting into government revenues and providing questionable service to the people of Bolivia. The first IMF economic plan implemented in 1998 created an economy that averaged only 1.5 percent growth between 1999 and 2002 while per capita income and employment contracted along with the informal economy (Shultz, 2009, p. 125). The true nature of IMF suggestions and conditions are always in question, but according to one

Bolivian government official, future IMF lending was contingent on meeting the deficit targets (Shultz, 2009, p. 129). These targets were not easy to meet as the IMF disapproved of any measure to raise corporate taxes or make the income tax more progressive. As a result, President Sanchez de Lozada decided on a less progressive income tax on the working poor that sparked opposition from all over the country. The resulting protests and escalation of violence ended with thirty-four people dead, and effectively ended the country's ties with the IMF (Shultz, 2009, p. 132). In 2007, Bolivia finally achieved a budget surplus under the direction of Evo Morales through policies contrary to the those of the IMF.

In the examples of IMF and World Bank intervention we see a strong pressure in the form of globalization-from-above. Multilateral institutions are increasing their size and scope of operations, often making general recommendations to improve efficiency, but often in ignorance of local conditions and at a severe cost to equity. Indigenous peoples often are on the downside part of this tradeoff between efficiency and equity, and are deprived of jobs, basic services and safety.

#### *The Role and Future of Coca*

In addition to the IMF and WTO, the UN has been a major force in the process of globalization-from-above in the form of legal harmonization. The primary example of this has been the crackdown on coca production in Bolivia which has had detrimental effects on indigenous peoples. The push to eradicate the deeply traditional plant began in 1961 with the United Nations Single Convention on Narcotic Drugs equating the coca leaf with cocaine and mandating that coca leaf chewing be abolished within 25 years (Morales, 2009). In reality, the coca leaf and cocaine are far from the same. It takes about 390 pounds of coca leaf to make one pound of cocaine in an elaborate process that requires very specific chemicals (Shultz, 2009, p. 187). Coca is an essential part of the Andean diet, helping regulate blood sugar produced by potatoes, while also having a high content of protein, carbohydrate, calcium, iron and vitamins A and E (Shultz, 2009, p. 183). In addition, it helps mitigate the sensation of hunger,

counter altitude sickness and causes no harm to human health (Morales, 2009).

Despite the truths of coca, the United States backed an eradication program as a part of the greater war on drugs. This eradication process had a disproportional negative impact on indigenous people. Viable alternative development programs were largely non-existent or ineffective. In 1998, the US-funded coca eradication program, *Plan Dignidad*, used the military to stop coca farmers from growing their primary source of income. Efforts to replace the coca plants with exports like pineapple, passion fruit and hearts of palm were largely unsuccessful, leaving people hungry and in debt (Ledebur, 2004). The establishment of an international legal framework ignorant of local practices, as well as the actions of the United States to eradicate the crop have hurt indigenous people by depriving them of a long-lived tradition and a source of nutrition and income.

#### *The End Result – Migration*

The external pressures of globalization from commercial development and multilateral institutions has put tremendous strain on indigenous communities. The link between globalization and migration is very direct. There is also a good deal of irony as the goal of many free trade agreements and trade liberalization initiatives in developing countries was to develop their economies and reduce the need for migration. While markets for capital and goods have been opened, labor markets have not. Nonetheless, the large structural changes incurred by globalization causing the displacement of farmers has been at the root of migration. In fact, two-thirds of immigrants from Mexico have arrived in the United States after the implementation of NAFTA (Smith, 2009).

The consequences of migration are mixed. This could be viewed as a positive result of globalization, as rural and indigenous people are included into the market and given the opportunity to prosper. However, restrictive immigration laws in the United States and the lack of sustainable growth in the formal economies of developing nations has denied some of this opportunity in the short-term, creating a dichotomy between those who are able to find work and those who can't. Once again, the

issue of pre-existing advantages often determines who will be successful in this adjustment. Too often, indigenous people lack the skills, knowledge and connections to find a path to prosperity.

But what about the culture of migrants and the communities that they leave behind? Rivers (2005) explains that young people leaving their families to work in order to meet short-term financial goals end up sacrificing cultural norms. (p. 24) Nevertheless, many have adapted to a new country without any sacrifice of their culture (Shultz, 2009, p. 280). The communities that are left behind are also often in a precarious situation. There is frequently a drain of young people as they go to the cities or to other countries. However, this migration also often coincides with remittances sent back to the homeland which can be invested within the community. There are authentic concerns about a loss of traditional culture, but it appears that migration can at least be a path to economic development for indigenous peoples, as long as they are helped along the way.

### **Globalization Providing the Basis for Popular Participation**

Globalization from above has brought about significant changes and the consequences have frequently been negative. However, the force applied by external organizations, governments and corporations has often been met by an equally powerful force of popular demonstration. These actions have been amplified by globalization from below, as worldwide solidarity campaigns have aided indigenous groups in their struggle. Radcliffe (2002) explains the meeting of these two forces:

Indigenous people are building political networks that assist their demands, while multilateral development agencies and international non-governmental organizations are creating specific pro-indigenous development projects that further the globalised agenda of modified neo-liberal policy (p. 2)

These actions and established networks have also given the opportunity for indigenous peoples to not only challenge the forces of globalization, but also their long-standing marginalized status.

*Resistance in Bolivia*

There are numerous examples in Bolivia where globalization has been met by large demonstration supported by international campaigns. The oil spill along the Desaguadero was met by fierce protest, and the issue of oil and gas nationalization became the deciding factor in the elections in the first decade of the 20<sup>th</sup> century. The most significant example of globalization from below was the water revolt in Cochabamba in response to the Bechtel corporation taking control of the city's waters. Protests and road blockades eventually forced Bechtel's people to leave the city and the contract to be rescinded. However, this was met a year and a half later in November 2002 when Bechtel filed a \$50 million claim in a trade court run by the World Bank (Shultz, 2009, p. 30). Protesters along with international allies launched a campaign to undermine Bechtel's willingness to wage the fight (Shultz, 2009, p. 31). Major news organizations began reporting on the water revolt, and organizers began targeting Bechtel's CEO. Similar direct actions across the world ensued. Dutch activists scaled the outside of Bechtel's paper-only headquarters to post a sign with the name of a seventeen-year-old killed in Cochabamba, protesters blocked the entrance to the corporation's offices in San Francisco, and a public interest law firm joined the case. The campaign finally culminated in 2006, with Bechtel settling for a token payment of two bolivianos (Shultz, 2009, p. 32). Only through the forces of globalization was a campaign of this scale possible as a worldwide effort made it possible to overcome the resources available to a western corporation.

In addition, coca has become an important catalyst for organizing amongst indigenous peoples. Coca is an important element in the greater resistance to globalization. Shultz (2009) explains that "Coca grower unions became the defense mechanisms for those who wanted to protect their right to economic livelihood and those who seek to preserve their cultural sovereignty." These reactions have had an astounding impact on recent political events. Evo Morales, a former coca union leader, became Bolivia's first indigenous President in 2006. His widespread support is very much attributable to his challenge to foreign control of Bolivia's oil and gas and to greater neo-liberal reform. As a result of his

election, indigenous peoples are receiving more recognition than ever before. The revolt in response to external forces played a large role in making recent developments possible. Shultz (2009) argues that “there is little doubt that the changes under way in Bolivia today owe greatly to the battle over water that took place in the streets of Cochabamba.” (p. 29) It's clear that the forces that at first exploited the indigenous peoples in Bolivia have ultimately provided them with greater voice and respect. Mander (2006) explains the wide-ranging consequences of popular demonstration:

They are joining with networks...to raise their voices against free trade pacts on the international arena. And they are doing this within a context of expanded struggles for ethnic recognition, autonomy and self-government. (p. 182)

This occurrence is not just unique to Bolivia, but also the Zapatista movement in Mexico, as a local effort has expanded into a global resistance encompassing all sectors of the country.

### *The Zapatista Movement*

While the efforts of the Zapatista National Liberation Army (EZLN) have their roots in the 1970s, a turning point in the struggle occurred on January 1, 1994, as the EZLN took part in active rebellion against neo-liberalism and oppression, resulting in hundreds of deaths and an ongoing fight that continues to this day. The Zapatistas have been very successful in their campaigns while preventing international capital from raiding local sources (Collier, 2005, p. 457). Much like the case in Bolivia, this success owes itself greatly to the powers of globalization. The rebellion in 1994 coincided with communication of its cause electronically as people around the world heard of news of the uprising (Vanden, 2006, p. 98). Collier (2005) asserts that Zapatista anti-neoliberalism grows out of the very processes of globalization that the Zapatistas have challenged, and some call the rebellion the first 'post-modern' revolution due to its use of the media and internet (p. 451). This process of globalization from below and the utilization of technology allows for greater voice and a chance to gain international support. This is much more important in Mexico, as indigenous peoples are a minority

and have faced years of false promises by their own government. It seems that only through their grassroots organizing approach that they can be successful in gaining recognition for their problems.

### **Looking Forward in Mexico, Bolivia and the World**

Indigenous people clearly have a great opportunity in the future to empower themselves and challenge their subordinate position. The use of technology, organizing and the political processes will be paramount in both economic and social development as the current economy leaves many behind. Recognition of the problems facing indigenous peoples have recently appeared in conversation around the world, casting light on the losers of globalization.

In Mexico, the struggle against the government will continue with the support of worldwide solidarity organizations. International agreements such as the UN Declaration on the Rights of Indigenous Peoples will help to prevent outright exploitation, but local struggles will remain, requiring organization, action and autonomous development. Further trade liberalization without consideration for its consequences is less likely than it appeared in the earlier part of the century. Nevertheless, challenges brought on by the war on drugs, the Mexican government and existing agreements will assuredly continue to be present.

Meanwhile, great changes are taking place politically and culturally in Bolivia. Evo Morales argues that the newest constitutional referendum will reverse centuries of discrimination (A passport to Utopia, 2009). However, there are doubts as to the viability of domestic control of water, oil, and gas as Bolivia lacks the technology, skilled workers and capital to run these sectors as effectively as possible. After establishing a surplus in 2007, the public finances are set to go into deficit again this year (A passport to Utopia, 2009). Morales has changed the course on coca, hoping to create alternative uses of coca and diverting the sale of coca from the drug trade (Shultz, 2009, p. 207). New trade agreements with neighbors like Venezuela hope to benefit all nations and people evolved. While Bolivia is facing exceptional difficulties, the popular support of Morales along with established

relationships with neighbors should prove to be an effective base for beneficial policies. As long as the Morales government is in power, it appears that any development plan will have consideration for the indigenous majority.

### **Conclusions**

The forces of globalization have incurred many costs on the indigenous peoples of Mexico and Bolivia. However, similar forces and reactions have left opportunity for economic development and also resulted in high levels of empowerment in both nations. The problems they are facing are similar in both nations, incorporating environmental, cultural and economic aspects. Compared with Bolivia, Mexico's proximity to the United States along with the minority status of indigenous peoples has left them with a lesser ability to challenge their subordinate role in society. Meanwhile, in Bolivia, where the majority has elected an indigenous President, and popular demonstrations have defeated outside forces in several instances, there is more room for change and a clearer path to indigenous development. In both cases, indigenous groups will need to harness the power of globalization for their own benefit if they are to emerge from the status quo.

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