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# In Search of the Political Economy of Oppression and Liberation: Towards Structural Validity for Community Psychology

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# IN SEARCH OF THE POLITICAL ECONOMY OF OPPRESSION AND LIBERATION: TOWARDS STRUCTURAL VALIDITY FOR COMMUNITY PSYCHOLOGY

**BY**

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Abstract

Advocating for liberation from oppression through critical research and praxis has become a central concern among community psychologists. In this dissertation, I argue that while community psychology (CP) has had some success in integrating multidisciplinary knowledge, its understanding of oppression and liberation continues to be characterized by an avoidance of economic considerations. I posit the concept of *structural validity* as being necessary to re-focus our research and praxis on the economic structure of oppression. Within the current global context of systemic inequality, this economic structure is being ideologically driven by the doctrine and discourse of neoliberalism, which has important implications for how community psychologists should advocate for liberation. I argue that neoliberalism functions as a hegemony, a system of control based on consent and coercion that sets particular limits on the potential for community psychologists to engage in transformative interventions. In order to effectively advocate for liberation and establish spaces of counter-hegemony, a new set of values, theories and action are examined, and some programmatic recommendations are prescribed to move CP's research and praxis towards a more radical direction.

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PREFACE

Before I begin to elaborate the theoretical foundation of my master's thesis and the primary purpose that I would like it to achieve, I feel that it is necessary to situate its core themes within the context of my personal experiences and intellectual upbringing. In doing so, I give explicit recognition to the fact that my knowledge and views of the political economy of oppression and liberation have been inexorably shaped by my own encounters with the institutions and structures of control within society and the systems of thought that I have been exposed to through the education that I have received, both formal and informal.

There are some important attributes of my personal background that have undoubtedly influenced my decision to engage in the current theoretical dissertation. To start with, my family's class location has fluctuated several times throughout the course of my life, providing a rare firsthand experience of the diverse socioeconomic conditions of late 20$^{th}$ century capitalism. The constantly shifting financial fortunes of my family were linked to my father's various different careers, which took us from Denmark – where I was born – to the Far East and back home again before settling in Canada during the late 1990s. As such, I have had the unique opportunity of living under an established Scandinavian social democracy, a Maoist communist regime with burgeoning capitalist tendencies, and a North American liberal democracy. I have seen poverty and wealth manifested in many different forms, and observed similar forms of suffering under the most authoritarian of dictatorships and within the most liberal of democracies. And throughout my experiences, my father's extensive understanding of history, language, anthropology, political science and economics has left a deep impression on me, allowing me to eventually find a place for my observations within the larger ebb and flow of humanity's ongoing narrative.

It is perhaps no surprise that when I decided to pursue an education in psychology I was choosing a pursuit that my father had little experience with, allowing me to stake an intellectual niche within my immediate family. However, my interests in other disciplines, specifically history, political science, and economics, never strayed far from the studies I engaged in, and they continued to fuel my desire to grasp the intersection between human behaviour and systemic forms of oppression, as well as to seek ways of transforming society through revolutionary change. Of course, in searching for this intersection, I was invariably introduced to the radical Left, and with it, theories of Marxism, anarchism, situationism, post-colonialism, and so on. Consequently, when I was faced with the prospect of choosing between psycholinguistics and community psychology (CP) as my primary field of Master's studies, the choice was clear in my mind: Only one discipline would provide me with the opportunity of engaging in a multidisciplinary praxis that challenged society's status quo. It was my understanding then that CP was the only area within the discipline of psychology where terms such as 'oppression' and 'liberation' held any real meaning for theory, research, and practice.

As is often the case when one immerses oneself in an established area of study, disillusionment can begin to creep into one's consciousness. What I encountered in CP was a field of psychology that apparently possessed inspiring ideals for enacting transformative social change and that had directed a significant portion of its theoretical discourse towards these goals. However, what I also saw was a field that was struggling to overcome the psychologistic tendencies of mainstream psychological research, theory, and practice, and that tended to frame its understanding of oppression, liberation, and social justice within a relatively uncritical, abstract and theoretically vague framework. In light of my familiarity with radical perspectives from outside of CP, I realized that there was something significant missing from its general

critique of society's status quo – namely, economics. Although community psychologists had recently begun to overtly incorporate into their awareness an understanding of the importance of political sources of oppression, both within society at large and their own daily work, the significance of the political had yet to be connected to the broader *political economy* of our society. As a result, CP had very little to say about the economic foundations of oppression and its importance to any comprehensive project of liberation. Instead, it appeared to be towing a line of reasoning that posed very little threat to the mainstream capitalist status quo, having almost completely divorced its notions of the political from the economic.

The awareness that I possessed of the fundamental integration between the economics and the politics of oppression was not merely informed by my informal education in Marxism, anarchism, and other radical sources of knowledge, but also through firsthand experience. To give a recent example, in the summer of 2007, I attended the protests against the Security and Prosperity Partnership (SPP) of North America, in Ottawa and Montebello, Quebec, where a meeting was taking place between Mexican president Felipe Calderon, US president George W. Bush, Canadian prime minister Stephen Harper, and 30 representatives from some of the largest corporations in North America. The stated goal of this gathering was to continue to facilitate the trilateral process of enhancing economic and security integration between Mexico, the US, and Canada; an explanation that sounds notably benign taken at face level. However, the SPP – an ongoing project – is explicitly focused on streamlining economic cooperation between the business sector and the state bureaucracy of all three countries through the implementation of an agreement that is a) not subject to any democratic processes of agreement (i.e., parliamentary or congressional approval), b) discussed under conditions of great secrecy in obscure meeting locations, and c) open only to input from corporate and state representatives. Since 2005, no one

representing the interests of the public sector, non-profit organizations, opposition parties, or the environment has been invited to attend any SPP discussions (Council of Canadians, 2006).

What we encountered in Montebello was a highly advanced and orchestrated team of military and civilian police forces from across Ontario and Quebec gathered *en masse* – with video cameras running, dogs barking, and helicopters circling overhead – to confront a thin line of yellow school buses containing a few thousand protestors arriving from Ottawa and Montreal. Meanwhile, the 'Three Amigos' and their corporate consorts held their talks safely within the lavish confines of the Le Chateau resort, with an impromptu security fence cordoning off the area and several detachments of riot police deployed to secure the main gate. Our democratic right to be heard was 'assured' through the installation of a video camera at the gate that broadcasted what was going on outside the compound to two television monitors in the main lobby of the hotel, which the attendees could watch at their leisure. None did, of course (Greenaway, Foot, & Thomson, August 20, 2007). The protest itself was, unsurprisingly, effectively neutralized, first by ignoring our repeated requests to submit to the meeting a box of petitions demanding that the SPP be opened to public scrutiny, and then by aggressively dispersing the protesters with repeated rounds of unprovoked tear gas and pepper spray. But perhaps the most disturbing aspect of the police repression was our discovery that the Quebec provincial police had deployed undercover police officers dressed as protesters with rocks in hand, ready to serve as *agents provocateurs*, only to be caught in the act by a group of real protesters. After initial denials, the weight of the evidence forced the Sûréte du Québec to admit that these undercover officers were present, but only to 'keep order and security' (CBC, August 23, 2007).

Taken in conjunction with my intellectual background, such experiences of direct exposure

to the power structure of the status quo have offered me a repeated and lucid reminder of how thoroughly political oppression and injustice are woven into the economic structure of our society. This structure is deeply integrated into a global system of advanced capitalism that consistently undermines democracy and human rights in pursuit of an exclusive agenda, which has as its core economic beneficiaries the financial elite and their political allies. The phenomenon of the corporate-state oligarchy is one that has manifested itself across the globe in many different ways and under a variety of political systems, but which shares features that are common to the doctrine known as *neoliberalism*. The rationale for the current thesis is rooted in my belief that it is precisely the kind of economically-sanctioned, neoliberal oppression observed in Montebello, often overt and violent in nature, that CP's theoretical framework fails to critically explain through its limited focus on the abstract politics and psychology of oppression and liberation. The insights I have gained from my education and personal experiences lead me to assert that CP is in dire need of a holistic critique of the political economy of oppression and liberation, one that takes into account the oppressive social relations that are derived from the specific economic mode of production dictated by the status quo, the intersection between political economic ideology and institutionalized oppression, and the dominant values and discourses that legitimize the existing economic system. Having situated my knowledge and standpoint, it is to this core critique that I will turn my attention.

# INTRODUCTION

> Community psychologists...have tended to do work that might modify and ameliorate families, schools, social services and neighbourhoods, but I fear that unless we significantly transform the underlying political and economic processes affecting all of these community-level institutions, we are simply part of the problem. We are improving systems that rely on the functioning of a larger system that is fundamentally flawed (Sloan, 2005, p. 312).

The concerns of Tod Sloan reflect what I perceive to be a growing crisis of confidence within community psychology (CP). Community psychologists have become increasingly aware that their values and activities have been primarily focused at the limited domains of the personal and relational levels of society, having yet to transcend the problem of engaging in predominantly ameliorative interventions. Calls for a more critical shift in our theoretical discourse and research are becoming louder and more frequent as we continue to grapple with the real risk of being mired in band-aid solutions that conceal, and often reinforce, the systemic causes of current social ills (Marsella, 1998; Prilleltensky & Fox, 1997; Serrano-Garcia & Bond, 1994; Sloan, 2000).

Community psychologists who recognize the current limitations of our activities have often advocated for the adaptation of a more critical and radical discourse on social change. Such proponents tend to emphasize the importance of securing CP's relevance to broader, collective-level issues concerning social justice and have reasserted our role as advocates for justice and liberation. An increasing number of these community psychologists have expanded their search for critical knowledge that might deepen our insight into relevant discourses of social change. As a result, community psychologists have recently integrated perspectives from areas as diverse as feminism (Bond, Hill, Mulvey, & Terenzio, 2000), Marxism (Montenegro, 2002), and liberation theology (Walsh-Bowers, 2000). This growing trend suggests that those of us who have

encountered the theoretical and practical limitations of our discipline typically come to the realization that a multidisciplinary and collaborative future is needed to fulfill any hope of establishing a critical community psychology.

Yet, while expanding the multidisciplinary scope of community psychology is clearly beneficial for the purposes of broadening our knowledge base, it is not a sufficient undertaking by itself to secure our status as a critical discipline. I believe that what many community psychologists have overlooked, or perhaps even consciously avoided confronting, are the potential barriers that may prevent CP from building a transformative praxis of social change. Despite clear attempts to progress beyond the boundaries of what has been traditionally considered the domain of community psychology, there are some important issues that need to be considered. One of my primary concerns has been whether community psychologists currently possess a discourse that would permit the multidisciplinary integration of existing critical narratives into our theories and practices. I am worried that some community psychologists have prematurely posited CP as part of a broader 'critical' psychology, without adequately evaluating the merits of their claims to possessing a discourse that a) effectively understands the systemic roots of oppression and inequality within what we call the 'status quo,' and b) can cogently use this understanding to develop a compelling and realistic vision of how to transform the status quo at the macro-level of social ecology, in order to move us closer towards collective liberation and well-being.

In order to address these issues and push our discourse in a more critical direction, I have decided to orient the current dissertation around a macro-level examination of neoliberalism as the core doctrine of the modern global political economy. I will briefly discuss my purpose here.

## Avoiding Economics

As I alluded to above, there are certain barriers that arise when one attempts to establish CP as a critical discipline that possesses the capacity to understand and target the root causes of social issues that impact our well-being. Perhaps the most notable barrier that I wish to address stems from the validity of CP's broader theoretical understanding of oppression, in particular, as it pertains to economics. While theoretical frameworks that use critical analysis as a tool to seek emancipatory goals will tend to confront the economic roots of oppression, a critical examination of the global political economy has been non-existent within CP. There appears to be a reluctance within our sub-discipline to analyze the economic system of capitalism itself and examine its ability to orient society around those social formations that fulfill the logic of capitalist production. Community psychologists tend to instead filter issues of social justice and liberation through their own theoretical narratives that are largely devoid of any coherent economic analysis, circumventing collective-level questions regarding how inequality and oppression might be dictated by the norms and motivations that govern market-based behaviour. Thus, while some community psychologists might recognize that there exists, in the words of Sloan (2005), a 'larger system that is fundamentally flawed' – a system that undermines our attempts at social change, locking us into ameliorative action – it is rare that we overtly call this system into question and examine how its economic rationale contributes to, and maintains, the kinds of problems that our interventions are designed to tackle. By pushing the issue of economics into the background, the discourse of community psychology effectively treats capitalism as an invisible and ineluctable feature of society, offering tacit support to those who benefit most from the current economic order.

It is this distressing lack of a critical economic analysis within community psychology's

current discourse which leads to me to argue that CP must seek to include *structural validity* within its theoretical discourse and practice in order to tackle directly the economic structure of oppression and liberation. The concept of structural validity thus serves as a core impetus behind my efforts to introduce the doctrine of *neoliberalism* to the literature of CP. I believe it is essential for community psychologists to recognize that the inequality of power that characterizes what we refer to as the status quo possesses unique qualities that are strongly rooted in the economic development of the West and the consolidation of its dominance over the global economic order. The ideological foundation upon which this entrenched, global system of capitalism rests has assumed successive forms over the course of history, and the present-day heir of these evolving discourses consists of a unique intersection between liberal political values and the neoclassical economic credo of free market fundamentalism. This doctrine is called *neoliberalism* and has served as the primary ideological driving force behind the current global political economy (Harvey, 2005; Saad-Filho & Johnston, 2005). At their most basic level, the tenets of neoliberalism are at direct odds with the pursuit of collective liberation and well-being, and when applied, lead to outcomes of systemic socioeconomic inequality and disempowerment. These include the privatization of publicly-owned institutions and enterprises, cutting corporate taxes, market deregulation, rollbacks on government spending, and eliminating barriers to foreign private investment.

Investigating the development and inner workings of neoliberalism has served as a strategic site of analysis for a broad spectrum of critical disciplines, ranging from political science to critical geography. Despite their differences in approach, such disciplines tend to share the common awareness that the current neoliberal order cannot be understood without first grasping the economic motives that lie at the heart of its legitimization of oppression. Given the apparent

paucity of economic analyses within CP's current discourse, it may come as little surprise then that a recent PsycINFO database search for the term 'neoliberal' (alternatively spelled 'neo-liberal') within the *American Journal of Community Psychology* and the *Journal of Community and Applied Social Psychology* yielded a return of only two unique hits. Community psychology's general failure to place its notions of social justice, transformative change, and political action within the broader, macro-level context of society's political economy has predictably limited our awareness of some of the most relevant discussions surrounding the global status quo.

Much of the current dissertation will therefore be dedicated to bridging this gap in CP's theoretical understanding through a historical examination of the current economic status quo, linking contemporary experiences of oppression to the evolution of the neoliberal rationale and its roots in classical economic theories of the West. Special attention will be given to the way in which the economic theories that have accompanied the advent of the neoliberal model utilize a particular discourse that posits the assumption of individual self-interest at the forefront of its principles of human behaviour. By doing so, the pursuit of financial profit and wealth creation is allowed to take precedence over the concerns of the community and our collective well-being. Under neoliberalism, this aspect of the logic of free market capitalism has been elevated to a global level where a nation's sovereign public interests and right to collective self-determination are routinely undermined in favour of private foreign and domestic interests. And as is often the case, those communities and nations with the least political leverage to protect their economic interests are inevitably the members of our global community who are the most impoverished and marginalized. It is this global face of modern oppression under the neoliberal model that I would like to bring to CP's collective consciousness and which I believe is an absolute necessity

if we are to construct a truly effective critique of the status quo, a critique that links our local community struggles with struggles around the world that are subject to the same destructive economic rationale.

Rather than simply framing my analysis of oppression under neoliberalism around purely theoretical arguments, I have incorporated into the current discussion a recent case of neoliberal oppression – namely, the Bolivian Water War of 2000 – that will offer the reader a salient example of the actual consequences of neoliberal economic policies, both domestic and transnational. It is my hope that in the process of learning about Bolivia's confrontation with neoliberalism the reader will engage in critical reflection regarding our own experiences of neoliberal oppression within local communities. In thinking about these experiences, we should also critically examine the response of the Bolivians and reflect upon the kinds of interventions that would be necessary, within our own communities, to reorient our social consciousness and relations away from neoliberalism and towards the pursuit of collective well-being. And in doing so, we move closer towards the other side of oppression: liberation – what it is and how it can be achieved.

## Pursuing Liberation

No critique of the status quo should be considered complete if it fails, at the very least, to offer rudimentary strategies to shift current relations and economic structures within our communities away from the neoliberal model and towards broad-based alternatives that address the systemic oppression engendered by free market capitalism. By using the historical narrative of neoliberalism as a grounding point for the status quo of the present, we can begin to develop a holistic awareness of how extensively the neoliberal doctrine has flooded our social

consciousness with its values and beliefs. I will argue that this discourse of neoliberalism forms an integral part of a system of control that is based on consent, rather than coercion, referred to as *hegemony* by Antonio Gramsci (1971). The concept of hegemony provides a lucid framework for understanding that those modes of resistance that attempt to effect change by utilizing the institutions of civil society offered to them by the neoliberal status quo are inevitably limited to outcomes of amelioration. The reasons for such limitations tie into a hegemonic rationale that is both willing and able to accommodate what Day (2006) calls the *politics of demand*, where subordinate identities and struggles make demands for 'gifts of recognition' and integration from a dominant nation-state. Because this method of political action is reliant upon the power structure of the existing status quo, it is unable to establish a discourse that questions the very legitimacy of the economic structure from which the neoliberal state and civil society gleans its power. Liberation must therefore involve processes of resistance that are directed towards the social formations of oppression that are necessary for the functioning of the capitalist free market economy.

In concrete terms, engaging in a transformative discourse of resistance means confronting the norms and motivations that are promoted by the free market neoliberal economy, e.g., those of self-interested individualism, consumerism, profit-seeking, and asking ourselves how we might instead promote values, theories and courses of action that are conducive to the pursuit of collective well-being and liberation. In order to answer this question, I will take a critical look at CP's current values and propose some additional values that would facilitate our conception of liberation. Such values would be essential for envisioning a system of political economy that avoids the structural tendencies towards exploitation and oppression, providing a transformative goal that can guide CP's practices and interventions towards more substantial outcomes of social

change. While such an immense project is one that is admittedly beyond the scope of the current dissertation, I have provided an excellent example in the theory of *participatory economics* (Albert, 2004; Albert & Hahnel, 1991); a promising and highly detailed model of a society that avoids the pitfalls of systemic oppression endemic to both (neo)liberal capitalism and authoritarian socialism. However, in order to move beyond theory to action, we also should investigate current resistance movements that prefigure systems of counter-hegemonic political economy, whether through their immediate forms of action or their long-term goals for transformative change. The example of the Bolivian Water Wars offers precisely such an instance of resistance that is coupled to a broader awareness of the need to establish a civil society of community-based power that disrupts the political and economic structure of the neoliberal hegemony. However, I will also offer the reader some examples of other subaltern struggles that contain similar currents of consciousness and action, briefly highlighting their successes in prefiguring a future society that eliminates the social formations of oppression inherent in the current status quo. I will conclude by exploring some of the unique contributions that community psychologists might make to such forms of resistance and outline a series of recommendations that I believe are necessary to shift CP towards a more radical praxis of liberation.

## Looking Inwards: The Importance of Reflexivity

Before we can embark on our journey to understand neoliberalism and its implications for our conception of oppression and liberation, we must return to the important matter of what I described earlier as CP's crisis of confidence. In confronting our lack of a macro-level analysis concerning oppression and liberation, one might stress the importance of continued awareness-

building in our daily research and practice. Certainly, in this respect, expanding CP's awareness of the relationship between everyday economics and oppression has been a primary purpose of this thesis. But simply leaving the information contained herein as an exposition of concepts and ideas that should be added to our theoretical canon would be an insufficient and uncritical gesture. In doing so, I would be failing to ask the important question of *why* this awareness has been absent from our narratives concerning social change. For example, as both an undergraduate and graduate student of community psychology, I have been told that the development of our subdiscipline from mainstream psychology was significantly affected by the counter-cultural experiences of the 1960s. Yet, if this is historically accurate, why have emancipatory frameworks associated with this period, such as post-Marxism, feminism, and other 'new social movements', only recently been incorporated into our theoretical discourse in any overt way? And how can CP have ignored the intrinsic economic aspects of these currents of resistance?

Such incongruities suggest that there exists an immense need to critically examine our historical development in order to find out whether community psychologists have had vested interests in disregarding the macro-level context of the status quo, interests which have been obscured by a distorted historical narrative. Our failure to seriously examine neoliberalism as it affects our communities is emblematic of the predominant *modus operandi* of mainstream American psychology in its tendency to hide the impact of the dominant social and economic order by decontextualizing behaviour both in research and in practice (Prilleltensky, 1989; Sarason, 1981). Thus, the tendency among community psychologists to conduct research and interventions at lower levels of ecology – to the detriment of broader, macroeconomic concerns – might not be surprising, if we took into critical consideration the origins of our field in the

empirically-steeped subdisciplines of clinical psychology and community mental health.

However, many community psychologists continue to frame the origins of our field in terms of a paradigm shift that apparently signalled a move away from such limitations, towards a praxis of social justice that would eventually confront and change the status quo. The obvious contradictions between this latter narrative and the persistence within our discipline of ameliorative tendencies that parallel those of mainstream psychology indicate that the limitations of CP's current theoretical framework cannot be meaningfully addressed within an ahistorical context.

It is for this reason that I will begin the current dissertation by briefly tracing the role that CP's historical development has played in limiting our capacity for conducting a critical analysis of the status quo, leading to a predictable avoidance of economic issues. This historical overview will form the necessary backdrop for examining some of CP's current theories regarding the nature of oppression. Particular attention will be paid to the manner in which our literature remains mired in a psycho-centric discourse that is historically consistent with the ameliorative aims of mainstream American psychology, despite appearances to the contrary. In conducting this analysis, I hope to initiate an act of reflexivity that will offer a reference point for how CP itself may have reinforced the neoliberal power structure over the course of its development in the United States. It is only by implicating ourselves in the injustice of the status quo that we can begin to approach the kind of integrity and self-awareness that is essential to any critical discipline with collective liberation as its goal.

## I. SEARCHING FOR STRUCTURAL VALIDITY

Before addressing the causes and impacts of modern, global experiences of neoliberal

oppression, we must first deconstruct current discourses on oppression that are prevalent within the field of community psychology, in particular, those that seek to come to grips with how oppression can be resisted. In order to do so effectively, I will begin by discussing what Walsh-Bowers (2002) has referred to as the 'origin myth' of CP; a popular historical narrative that makes claims of a radical lineage for our field. This narrative will be contrasted with the circumstances surrounding the emergence of CP and I will attempt to highlight how the resultant direction set by the founders of our field not only diverted sharply from any asserted goals of social change, but in fact continued psychology's tradition of falling in line with the status quo. Community psychologists would continue to utilize a rhetoric of radical change while offering little in the way of a critical discourse or social movement to back up their language.

A clear example of this rhetoric, and one which ties directly into our discussion of neoliberalism, can be gleaned from some of the recent discussions surrounding oppression and liberation. In my view, there are two primary developments within this discourse. The first stems from a model of oppression developed by Prilleltensky and Gonick (1996) that laid the basis for a 'psychopolitical' understanding of oppression. This model suggests that in order to develop a holistic understanding of oppression, we must view oppression as existing along two domains of influence: the psychological and the political. The second development attempts to expand the practical scope of this model by using it as the basis for a 'psychopolitical validity,' which offers community psychologists with a litmus test for gauging whether we are adequately applying our psychopolitical grasp of oppression to our everyday research and activities.

I will attempt to cut directly to the core of the issue by addressing what I consider to be an overt strategy of disregarding the underlying economic roots of oppression and evading such concerns through a discourse that is politicized in appearance, but not in substance. From my

own observations, CP's language of empowerment, social justice, and now, psychopolitical validity, is insufficiently critical and theoretically vague. It offers no discernible analysis of the current global political economy as it relates to modern experiences of oppression, nor does it galvanize community psychologists to direct involvement in social and political acts of resistance. Instead, it implicitly serves as the continuation of a psychologistic discourse that began in earnest with the clinical psychologists who founded the field of CP, but which has been recalibrated to include terminology appropriate to a praxis that has become predicated on advocating for social change. I will argue that in order to overcome this impasse, community psychologists must take an honest, reflexive look at our role in supporting the status quo through a deconstruction of our history and discourse. From there, we should move forward by substantiating our recognition of the psychopolitical with a deeper and more expansive understanding of the role that the economic structure of society plays in maintaining oppression and injustice. I will refer to the effective integration of such an understanding into our research and action as *structural validity.*

## A Distorted Historical Narrative

There currently exist an ample number of accounts that discuss the development of CP in terms of a paradigm shift that emerged during the 1960s, which was influenced and inspired by the counter-cultural events and social movements of that era. Consider the following examples.

From the introduction to Prilleltensky and Nelson's (1997) chapter on CP in *the Critical Psychology* reader:

> As we shift our focus to newer, less traditional subfields that arose or expanded in the turbulent 1960s and 1970s, we are more likely to discover disillusionment

> with mainstream psychology's individualistic assumptions. This is especially the case for community psychology... (p. 166).

From the introductory textbook, *Community Psychology: Linking Individuals and Communities* (Dalton, Elias & Wandersman, 2001), describing the forces that led to the emergence of CP:

> The fourth force influencing the development of community psychology involves movements for social change and liberation that gained attention in the United States in the 1960s, particularly the movements for civil rights (and later, Black Power), feminism, peace, the environment, and gay/lesbian rights (p. 44).

From a recent textbook, *Community Psychology: In Pursuit of Liberation and Well-being* (Nelson & Prilleltensky, 2005), discussing the social-political context of CP's emergence:

> CP was born in the 1960s, a time of social and political change in the US. Bob Dylan, an American folk musician who emerged during this time, sang 'we'll soon shake your windows and rattle your walls, for the times they are a changin' (p. 9).

What these narratives share is a common tendency to frame the advent of CP within the socio-political context of the sixties. In using the imagery of the 1960s as a backdrop, such accounts seem to compel us into drawing a natural link between the counter-cultural agitation of the new social movements of that time and the consciousness that propelled CP into existence. From what I have observed, while such links may only remain implied, many community psychology students are left with the distinct impression that community psychologists were active members of the 1960s counter-cultural movement, and as such, we have inherited the remnants of a 'breakaway' psychological discipline that was profoundly involved with the

radical discourse of that period.

The sobering reality, as told by critical historians of CP such as Walsh-Bowers (1987a, 1987b, 2002), is that the original group of founding community psychologists who attended the 1966 Swampscott conference avoided any direct political associations with the radical movements of that period, and instead, continued to adhere in theory and in practice to the dominant paradigm of the natural sciences. Certainly, as a cohort of mostly white males, many of whom were established academics and practitioners, there were few, if any, cultural, racial, gender, or socioeconomic grounds for expressing solidarity with the radical activists of that period. Even more importantly, although some of the founding community psychologists were undoubtedly inspired by the progressive socio-political events of the 1960s, the entrenched incentives to maintain CP's academic legitimacy as a discipline of objective scientist-practitioners and to seek advancement within their careers far outweighed any idealism they possessed (Walsh 1987a, 1987b). Not surprisingly, within this context, any ideas of advocating for radical social change quickly took a backseat to the more pragmatic professional pursuit of traditional psychological research and practice, commonly characterized by paternalism, hierarchy, and detachment (Walsh, 1988; Walsh-Bowers, 2002). In sharp contrast to the prevailing origin myth, CP was consciously limited from its very conception to pursuing the ameliorative goals of mainstream professional psychology under a micro- and meso-level ideological framework that differed little in its social implications from CP's clinical antecedents.

In my opinion, by tapping into the cachet of the sixties' counter-cultural movements and employing the progressive language of that period, community psychologists would later find a relatively straightforward method for distinguishing themselves from their progenitors. However,

this strategy has also meant that CP has been able to tap into the kind of 'street credibility' that arises from associating oneself with the 1960s without necessarily backing it up through any real legwork. While our theoretical language continues to evolve, it is belied by an underlying consciousness that has remained within the confines of mainstream psychology. For instance, in the decades following the advent of CP, progressive notions of collaboration, empowerment, and participation would rise to the forefront of our discourse. Yet, as Walsh (1987b) discovered through an examination of extant journal literature and interviews with prominent community psychologists, even those elements of research over which community psychologists had the most power to control continued to adhere to a model of hierarchical research that was common to most of the natural sciences. The result was a body of knowledge largely based upon research relationships that were non-collaborative, offering participants with few avenues for active participation and decision-making, and where community psychologists assumed the disempowering role of the objective scientist-professional. In short, the behaviour of community psychologists over this period of time overwhelmingly failed to live up to the progressive intonations of its discourse.

## The Continuation of Rhetoric

The schism between CP's language and behaviour has proceeded to manifest itself in recent decades through a rhetoric and disposition that appears increasingly radical, but remains accompanied by vague definitions, psychologically-biased perceptions, and a continued adherence to ameliorative strategies for social change. In my view, nowhere is this trend more obvious than in our current discussions surrounding the construct of oppression. From my own experiences and encounters with the power structure of the status quo, it has been quite obvious

that, while important, our political experiences of oppression are often merely the gateway to persistent and structural states of economic oppression. Yet, some community psychologists appear to believe that it possible to sidestep the question of economics and address the root causes of oppression by merging a recognition of the political with the psychological. Certainly, recognizing the important role of politics can assist us in determining from where oppression is emanating and how it is being leveraged. But it fails to solve the underlying riddle of what the ultimate purpose of this oppression is. In failing to ask the important question of *why*, we fail the most basic test of any critical analysis.

The number of community psychologists that have explicitly espoused the psychopolitical as a new paradigm of understanding are currently small in number, yet include some of the most vocal and influential members of our discipline. In my reading of their discourse on not only the integration between psychology and politics, but on matters such as social justice, transformative change, and liberation, I have found what I consider to be a frustrating indifference to the grounding of CP's language and theories in any truly critical, macro-level analysis of society's status quo. This evasion of critical knowledge occurs despite the fact that such community psychologists have routinely advocated for elevating our knowledge from the micro- and meso-levels of analysis to the macro-level (Prilleltensky & Nelson, 1997), called on community psychologists to expand our literacy in radical political and social discourses (Nelson & Prilleltensky, 2005), urged CP to avoid the pitfalls of psycho-centrism (Prilleltensky, Nelson, & Peirson, 2001), and recognized the inequalities inherent in capitalism (Prilleltensky & Fox, 2007). The only explanation I can offer for the continued presence of such rhetoric is to echo Walsh-Bower's (2002) understanding of the purpose of CP's origin myth:

> The social function . . . is that it maintains the illusion of political engagement for community psychologists who desire genuine relevance for their professional work while shifting the distribution of power within social service bureaucracies or community groups. But actual political involvement entails considerable personal pain and sacrifice and poses risks to one's professional career (p. 4).

In the following sections I will attempt to deconstruct the psychopolitical concept of oppression, underlining the manner in which it purposely avoids the spectre of economic issues, relies heavily upon psycho-centric levels of analyses, and entrenches CP deeper within ameliorative notions of change. I ask that the reader keep in mind the above assertion of the risks that political action entails for academic professionals such as community psychologists. It offers significant insight into the kind of vested interests that guide the construction of our theoretical language and introduces us to the kind of reflexivity that is necessary to turn a politicized rhetoric into an authentic critical consciousness.

## A Two-Dimensional View of Oppression

Prilleltensky and Gonick (1996) developed a theoretical framework for an integrated understanding of oppression, one which they argued adopted a multidisciplinary approach and would be relevant to all levels of social ecology. The primary thrust of the model lies in its conceptualization of oppression along two dimensions, the psychological and the political, which co-exist and interact with one another to produce both internal and external experiences of oppression. The attainment of liberation begins when one acquires enough of a critical awareness through the process of conscientization to identify, and distinguish between, both internal (psychological) and external (political) sources of oppression. According to the authors, it is only then that social and political action can be initiated in order to achieve justice.

One of the central oversights of the model stems from the exclusion of any economic

dimension of oppression. The authors take this position despite the fact that Bartky (1990), who the authors quote in their introduction to offer support to their claims, refers to economic oppression *alongside* that of the political and calls for increased attention to the psychological dimension as an added element of importance:

> When we describe a people as oppressed, what we have in mind ... is an oppression that is economic and political in character. But recent liberation movements ... have brought to light forms of oppression that are not immediately economic or political ... [One] can be oppressed psychologically (Bartky, 1990, p. 22).

Yet, the authors offer the following preamble to the above quote:

> Bartky (1990) realized that we cannot speak of one without the other. Psychological and political oppression co-exist and are mutually determined (Prilleltensky & Gonick, 1996, p. 129).

The most glaring issue with the authors' interpretation of Bartsky's statement clearly lies in their attempt to downplay the importance of economic oppression by simply ignoring any mention of it. By doing so, it becomes possible to absorb the economic domain into the political and build a model that relies solely on the two axes of influence that the authors, a psychologist and political scientist, appear to be most comfortable with. Yet, problematic conclusions regarding the interaction between political and psychological oppression are similarly drawn. Nowhere does Bartky state or imply that political and psychological oppression must co-exist and are mutually determined. In fact, in direct contradiction to the authors' claims, Bartky is quite clearly speaking of one without the other.

Having removed the impact of economics from the equation, the authors proceed to argue

that political oppression is sustained through the creation of internalized negative and devalued images of the self, operating through such psychological processes as learned helplessness, obedience to authority, surplus powerlessness, etc. Yet, while the creation and maintenance of a damaged and disempowered psyche is certainly necessary under certain forms of oppression, we know that the phenomenon of consumerism has a similar effect upon inducing states of apathy, decreased social and political participation, and creating fragmented identities, without necessarily having to resort to the same psychological mechanisms outlined above (Lasn, 1999). In addition, we might also consider the possibility that many of those who are most affected by experiences of oppression under current global economic conditions may not have enough time or resources to devote to combating their marginalization; they are too busy surviving the system. Such circumstances do not necessarily signify the internalization of oppression or a lack of political awareness but instead, point to the fact that certain mechanisms of control and exploitation are deeply embedded within current economic realities. Therefore, the lack of a culture of resistance may have little or nothing to do with the functioning of internal psychological mechanisms. In resorting to psycho-centric explanations, community psychologists run the real risk of depriving entire groups of their agency and portraying those who are marginalized by oppression in a light that can easily be confused with the sanctioning of victim-blaming.

Given the absence of economics and the emphasis on internal psychological mechanisms within their model, Prilleltensky and Gonick ultimately fail to elevate our awareness of oppression to the macro-level of social ecology. Instead, we are left with an understanding of oppression and liberation that is premised on one's cognitive readiness for social and political resistance. The production of such knowledge perpetuates psychology's long-held tradition of

framing our understanding around the individual as a victim rather than on the systemic causes of the problems themselves (Albee, 1986; Prilleltensky, 1989). And in doing so, CP continues to nurture psychology's ideological framework by focusing on those we believe to be in need of our expertise while avoiding tough questions regarding who the beneficiaries of the status quo are. Stripped of an economic dimension, and therefore, a genuinely macro-level analysis, it becomes impossible to examine the roots of political and psychological oppression relative to the underlying economic rewards of the status quo's power structure. We are instead restricted to viewing political and psychological oppression as an *end* in itself, rather than a *means* of amassing and preserving economic resources and advantages for an elite class, a class which includes professional psychologists and academics.

## Psychopolitical Validity: A Valid Concept?

Renewed support for the two-dimensional view of oppression has come from the recent concept of *psychopolitical validity* (Prilleltensky, 2003; 2005; Prilleltensky & Fox, 2007; Prilleltensky, 2008), which proposes that having acquired a sufficient amount of knowledge regarding the political origins of oppression and liberation, community psychologists should now turn our attention to the task of incorporating this knowledge into our research and action. Psychopolitical validity consists of two primary components: epistemic validity and transformative validity. The former gauges whether we integrate our awareness of political and psychological sources of oppression into all of our research and practice, while the latter measures the degree to which our interventions reduce the psychological and political barriers to wellness and justice. Through these two components, it is claimed that the concept of psychopolitical validity offers us a guide for integrating political considerations into our research

and practice while ensuring that the activities of community psychologists are, above all, directed at transforming the status quo.

The notion of psychopolitical validity not only continues the trend of disregarding the need for an economic analysis of oppression, but manages to circumvent the issue by claiming that community psychologists currently possess a sufficiently thorough understanding of oppression. Instead of providing a conceptual tool through which community psychologists can serve as more effective advocates for transformative change, the criteria of psychopolitical validity may only serve to conceal fundamental gaps in our understanding. Any attempt to critically examine the competency of our discourse in addressing the fundamental causes of oppression is pre-empted by the introduction of a concept that takes for granted our expertise on the subject. The question is no longer whether our understanding of oppression is sufficiently accurate, but how to use our completed knowledge in the pursuit of social change. However, as one begins to unpack the concept of psychopolitical validity, it fails to conform to the standards that it sets forth, producing instead a micro-level, psychologistic analysis of the political barriers to justice and well-being.

For example, Prilleltensky (2005) centres the notion of psychopolitical validity around the integration of CP's understanding of psychological and political *power* into our research and action. When attempting to describe the interplay between power and oppression, Prilleltensky falls into the trap of reducing political power to an abstract resource, with the balance of its distribution serving as a primary determinant of oppression. In this manner, the underlying framework of understanding continues to rest on what are in fact conceptual, dehistoricized, and *depoliticized* instances of personal and relational experiences of oppression and empowerment. The construct of power as it functions relative to oppression remains filtered through a traditional

psychologistic context of analysis:

> Without [power], we may experience oppression. With too much of it, we may prevent others from access to some of our valued resources. With just about enough of it, we may have a chance of sharing social and psychological goods equitably among individuals and groups... (Prilleltensky, 2005, p. 80).

And similarly, on well-being and justice:

> For marginalized groups to achieve justice, power must be brought into the equation. Some groups have more power, capacity and opportunity to meet their needs than others...The more power, capacity, and opportunities a group has, the higher the likelihood that it will advance well-being and justice for its members (Prilleltensky, 2005, p. 79-80).

When examining the theoretical backdrop to constructs such as psychopolitical validity, I detect a persistent inclination to resort to what Smail (2001) calls the *psychologizing* of our discourse, despite our advocacy of integrating multidisciplinary macro-level perspectives. There seems to be a consistent tendency to isolate abstract constructs such as power and liberation within a decontextualized framework by examining them at the personal and relational levels of social ecology; levels that psychologists have traditionally been comfortable with. This is in stark contrast to a macro-level, critical analysis that would emphasize the embedding of inequality and injustice within the broader, systemic apparatus of our current global political economy. Thus, instead of advocating for genuine liberation, community psychologists continue to open the door to victim-blaming when obscure attributes of power, capacity and opportunity are offered to explain the source of inequality without any qualifications regarding the root causes of their unequal distribution. Such language offers tacit approval to apologists of the status quo that place an internal locus of responsibility on those who are marginalized and oppressed, rather than

emphasizing the presence of an underlying system of political economy which is structurally geared towards the sustaining of power differences.

While the idea of psychopolitical validity has drawn some critical appraisals, most notably in a recent special issue of the *Journal of Community Psychology* (Newbrough, Speer & Lorion, 2008), such criticisms have tended to be subdued, often targeting specific concerns with the concepts and definitions that underlie the construct rather than more expansive issues such its evasion of the economics of power (for example, see Angelique, 2008; Fisher & Sonn, 2008; Lorion & McMillan, 2008; see Fryer, 2008 for a critical exception). Even when Reich, Pinkard, and Davidson (2008) promisingly point to the fact that psychopolitical validity exists in a historical vacuum and would benefit from an overt recognition of psychology's contradictory role in both promoting change and contributing to the oppression of the marginalized, they manage to dislocate the experience of marginalization and perceived inferiority from one's socioeconomic status and class location; in fact, economic concerns are entirely missing from their historical critique. Only Christens and Perkins (2008) appear willing to comprehensively augment the construct of psychopolitical validity through their advocacy of ecological validity, which provides a broader context for the psychopolitical stages of oppression, liberation, and wellness, and ostensibly touches upon the political economy. However, ecological validity is rendered similarly ineffectual, first through an uncritical acceptance of the epistemological premises of psychopolitical validity with which it supposedly intersects, and secondly, by failing to clarify in a coherent manner what the four ecological domains – the economic, political, sociocultural, and physical – are composed of and how they interact with one another. Consequently, when the authors express a general concern over the degradation of the physical environment and its contribution to increased oppression, they fail to consider how entrenched

economic and financial incentives that are characteristic of the capitalist mode of production might lead to sociocultural attitudes and political policies that promote the destruction of the environment.

## Towards the Pursuit of Structural Validity

The concept of psychopolitical validity and the criticisms that have been directed at it from within CP have largely failed to present a critical economic challenge to (neo)liberal conceptions of power, oppression, and liberation, despite the political overtones of the associated commentaries. In this manner, community psychologists have been able to make claims that they are challenging the oppressive scientism and political inaction of mainstream psychology without directly confronting the capitalist foundations of the institutions which sustain and nurture their professional livelihoods. I remain convinced that a praxis which is derived from notions of psychopolitical validity, with its current theoretical and ethical vagueness, can only continue to entrench the iatrogenesis that Walsh (1988) describes as being historically endemic to professional psychology, CP included.

In order to decisively break free from the limitations of our knowledge and integrate into our understanding what I have described as a truly critical, macro-level analysis of the status quo, community psychologists need to take a significant step back from our established theoretical discourse and seek elsewhere for insight. In my opinion, if our goal is to gain a more holistic and critical understanding of how to achieve liberation and wellness through transformative change, we should be looking to the ideas of radical philosophers and theorists who for centuries have searched for the roots of systemic oppression in society. Among these thinkers, Karl Marx, in particular, stands out as having amassed a body of knowledge that is especially relevant to our

pursuit of a critical analysis of oppression and liberation. For example, in analyzing the interconnectedness between economics and socio-political institutions, Marx famously made the following remark:

> In the social production of their existence, men [*sic*] inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life (Marx, 1978).

The notion of the economy as the core structure upon which the superstructure of civil society, the state, and our social consciousness stands is central to the Marxian understanding of oppression and liberation. While Marxian thought certainly does not deny the existence of the political and psychological domains of oppression, it builds upon our understanding by critically grounding these domains within relations of production that are part and parcel of the economic structure of society. In this sense, affecting change at the psychological or political level, i.e., the superstructure, can only result in transformative outcomes if these changes tap into the status quo's inherently oppressive mode of economic production. For the Marxian philosopher and political activist, liberation is understood to be a revolutionary process where the exploitative social relations of production that are inherent in capitalism are altered through a fundamental shift in the social formations of our economy.

The Marxian outlook has vital implications for CP. By targeting our research and action solely at the psychopolitical domain of society, community psychologists will have limited success in achieving transformative outcomes of liberation and well-being, and will likely

remain mired in amelioration. To clarify this point, we can draw a direct parallel between the Marxian framework and Sloan's (2005) assertion, with which I opened the thesis. The psychological and political domains are precisely those systems of the superstructure that community psychologists continue to improve while failing to address the functioning of a larger flawed system – the economic structure – upon which this superstructure relies. The Marxian analysis therefore underscores my argument that psychopolitical validity, taken in isolation, is a theoretically misguided and practically ineffectual construct. In order to remedy it, we first need to correct Prilleltensky and Gonick's (1996) erroneous notion that economic oppression is a sub-category of political oppression by rendering economics as the foundation upon which both psychological and political oppression stand. The psychopolitical domain therefore captures a potentially important, but nevertheless, limited insight into how oppression is linked to the status quo. In order to carry substance, the concept of psychopolitical validity needs to be rooted in a deeper and more critical understanding of the need for *structural validity* within CP's research and action.

Structural validity describes the successful integration of a critical economic analysis of oppression and liberation into CP's research, theory and praxis. It entails a recognition of the fact that political and psychological liberation needs to be linked directly to the attainment of a post-capitalist economic structure that is ecologically sustainable and secures socioeconomic equity and justice for all. From a theoretical perspective, this recognition implies that CP's vision for achieving liberation cannot be clarified until we begin to understand the complex manner in which the underlying economic structure of the current neoliberal status quo propagates political and psychological oppression in the pursuit of economic prosperity for the few and marginalization for the rest. Unless community psychologists become concerned with need to

establish structural validity within our sub-discipline and are subsequently able to redirect our attention towards the economic roots of systemic oppression, transformative struggles against neoliberal oppression by subaltern communities around the world will continue to escape our understanding and proceed without our contribution.

While the Marxian analysis has tremendous advantages in directing us towards the kind of structural validity that, in my opinion, is a pre-requisite for engaging in transformative work, it also has important limitations. Some, such as the tendency to revert to a hegemonic vision for a post-capitalist society, will be discussed later. However, within the current context of pushing us towards a critical understanding of oppression under the status quo, the Marxian framework will also prove limited in its ability to provide us with a complete picture of how transnational neoliberal policies currently impact communities around the world. It is, after all, a historically-situated theoretical framework that provides an effective, but often outdated, tool to contextualize experiences of oppression within the broader historical development of capitalist social formations. Modern stories of oppression as they occur on the ground remain essential to a holistic and compassionate awareness of how neoliberalism, as an economic doctrine of oppression, is affecting communities globally. Therefore, in the next chapter, I will be describing the experiences of a community in Bolivia that experienced one of the most overt instances of neoliberal oppression in recent history. This example will provide a crucial gateway to later chapters, where I will be examining the history of neoliberalism and its impact on the economies of the world, as well as deconstructing the role of its neoliberal discourse under a hegemonic system of control. Perhaps even more importantly, the particular response of the Bolivian community to neoliberalism will illustrate the importance of structural validity to any transformative and democratic project of liberation, providing a valuable vision for CP's future

that will round out our discussions.

## II. NEOLIBERALISM MANIFESTED: THE BOLIVIAN WATER WAR

On April 11, 2000, the citizens of Cochabamba, Bolivia awoke to triumph. After several months of fighting the privatization of their water system, they had finally regained local control over their water resources. The conflict, however, had not been without its costs – several citizens were killed and hundreds more were injured when the government declared martial law and violently suppressed the peaceful protests. Undaunted, the popular uprising prevailed and on the 10th of April, 2000, the government of Bolivia was forced to rescind its agreement to lease the city's water system to the multinational corporation, Bechtel, operating under an obscure local subsidiary, *Aguas de Tunari*. It was truly a historic moment for the world as a spontaneous coalition of citizens had successfully confronted the forces of free market globalization and revealed the brutality of the oppression that invariably follows the neoliberal doctrine and its institutions around the world.

### Bolivia for Sale

In order to trace the development of Bolivia's Water War and delineate its importance as an example of neoliberal oppression, it is important to examine the role of the International Monetary Fund (IMF) and World Bank in their efforts to harmonize the economic policies of developing nations within a specific ideological framework. In the case of South America's poorest nation, Bolivia, both the IMF and World Bank played a significant part in the implementation of structural adjustment policies in the latter half of the 20th century, touted as the means to pull Bolivia out of extreme poverty. Not only did these policies fail, they led to a

disastrous collapse of the Bolivian economy during the early 1980s, forcing the adoption of a revised program for economic stabilization in 1985 (Public Citizen, 2005). While this was somewhat successful in reversing the negative economic growth and crippling hyperinflation that had plagued the nation as a result of the collapse – the latter pegged at 12,000% in 1985 (Stiglitz, 2003) – the IMF and World Bank continued to push for the privatization of public services and often attached it as a condition for the granting of loans aimed at both debt and poverty reduction.

An official agreement between the IMF, World Bank, and Bolivian government was published in 1998 under the Enhanced Structural Adjustment Facility (ESAF) Policy Framework (Public Citizen, 2005), placing in writing the macroeconomic policies and structural reforms that Bolivia was to follow – policies which Bolivia had already been cornered into implementing for much of the past two decades. The ESAF paved way for the privatization of *all* public enterprises in Bolivia, the finalization of a ruthless economic campaign that had already seen the privatization of Bolivia's largest public industries during the mid-1990s, including the national airline and train services, electric utilities, and oil companies (Public Citizen, 2005; Schultz, 2003). It was this latest initiative that allowed Bechtel Corp. to gain control over Cochabamba's water supplies through its subsidiary, *Aguas de Tunari*, in October 1999, when the Bolivian government signed over a 40-year concession of the municipal water system, the *Servicios Municipales de Agua Potable y Alcantarillado* (Municipal Potable Water and Sewage Services – SEMAPA).

The effects that water privatization would have on the citizens of Cochabamba was well known, and in fact, predicted by its architects. As far back as June 1999, the World Bank had already published a report stating that "no public subsidies should be given to ameliorate the

increase in water tariffs in Cochabamba" (World Bank, 1999), providing a clear indication that before the contract had been signed, both the IMF and World Bank were cognizant that price hikes would become the order of the day. Notwithstanding the fact that over sixty percent of Bolivia's population lives under the poverty line and the average income per month is less than $100 USD, some residents of Cochabamba saw their water bills rise by as much as 200 percent after the takeover of *Aguas de Tunari*, in stark contrast to prior claims that the tariffs would increase by no more than 35 percent to cover the costs of service improvements (Assies, 2003; Public Citizen, 2005). However, beyond price increases, residents of Cochabamba were forced to contend with additional injustices stemming from the legislation that had paved way for the privatization of SEMAPA. Law 2029 managed to put up for sale not only the administrative infrastructure and management of water supplies, but the *sources* as well, in effect allowing private investors to control the lakes and rivers that provided cities like Cochabamba with water (Cuba, 2000). Bans were imposed upon the building of collection tanks for rain water and restrictions were placed on the use of residential wells. Free Andean water that had been collected by Bolivians for centuries now bore a cost that would be decided upon entirely by foreign corporate interests. The disturbing reach of neoliberal privatization was lucidly illustrated by one of the primary leaders of the resistance, Oscar Olivera, who later wrote, "the rain, too, had been privatized" (Olivera, 2004).

## Collective Organization as Resistance

Clearly, a profit motive was at play and as a consequence, some of the poorest indigenous peoples of South America were being forced to fill the coffers of a transnational corporation – with earnings of $14.5 billion in 2001 (Kruse, 2003) – through the privatization of their most

vital natural resource. Attempts were made by the Bolivian government to hide the details of the impending agreement with Bechtel, but in vain, as the people of Cochabamba gradually became aware of what the implications were. Their response was to organize, swiftly.

Although news of the impending SEMAPA sell-off had reached certain sectors of Cochabamban society as early as June, 1999 when the signing of the *Aguas del Tunari* contract had been given approval by the Bolivian government, large scale organized protests by the local population were first carried out by irrigation farmers working around the Cochabamba area during November 1999. It was at a meeting that these farmers organized, bringing together highly diverse elements of the population, that paved way for the formation of the *Coordinadora de Defensa del Agua y de la Vida* (Coalition in Defense of Water and Life, otherwise known simply as the *Coordinadora*). Referring to the broad-based constituency of the coalition, Olivera (2004) noted,

> The *Coordinadora* emerged from the ordinary inhabitants of both town and country who, from an elemental sense of the need to defend such basic rights as access to water, called upon the whole population to join in the struggle. This call was based on understanding the importance of joint actions and believing that no individual sector alone could marshal sufficient strength to block the privatization of water. There could be no individual salvation. Social well-being would be achieved for everyone, or for no one at all (p. 28).

As a result of the refusal of the government to recognize the widespread dissatisfaction with the *Tunari* agreement, the *Coordinadora* organized a series of road blockades in and around the Cochabamba area on January 11, which would lead to the first phase of violent repression by the Bolivian authorities. Attempts were made by government officials to defuse the situation with a tenuous agreement to revise the *Tunari* contract and the privatization law, but without reconsidering the issue of rate increases. In what would eventually symbolize the popular nature

of Cochabamban resistance, this proposal was presented to the people who promptly demonstrated their rejection of it by turning their water bills in to the *Coordinadora* so that they could be burned in the main plaza of the city (Olivera, 2004).

The inadequacy of the government's response and its decision to continue to marginalize the *Coordinadora* by negotiating solely with the Civic Committee – consisting of the mayor, local business elites and other co-signatories of the privatization agreement (Assies, 2003) – led to a second phase of protests that were planned for February; these were dubbed *la toma* –the takeover. As Olivera (2004) wrote,

> All the talk about taking over Cochabamba frightened many people—businessmen, state officials, city council members—and they said things like "the Indians are coming to seize the city." We did call it the takeover of Cochabamba, but we meant it in a symbolic way. We said we were coming to *take* what is ours—the main plaza—to *take* it over physically and in a peaceful way. We were coming to *take* each other by the hand—workers in the city and workers from the countryside—and we were coming to *take* our own decisions (p. 33).

Despite attempts by the *Coordinadora* to assure the government of the peaceful nature of the protests, special security forces and police from neighbouring regions were deployed to block the arrival of peasants from the countryside and to prevent the marches from proceeding. The result was a renewed round of tear-gassing on the morning of February 4, as the protests commenced. Yet, rather than stem the tide of unrest, the heavy-handed strategy of repression by the police brought out sectors of Cochabamban society that until now, had remained largely dormant. Citizens of all ages flooded the streets, constructed makeshift barricades, and those who were not directly involved in fighting the police were actively helping to alleviate the effects of the tear gas by providing water and vinegar-soaked bandanas (Olivera, 2004). The new round of demonstrations proved successful, and once again, the government was forced to sign a new set

of concessions, this time promising to freeze the water rates at their October 1999 level (Assies, 2003). The government was given until April 4 to enact the agreement.

## The Road to Victory

Throughout these early protests, citizens were able to participate in the decision-making process by attending local community meetings or assemblies, usually organized along the lines of one's trade. These meetings allowed Cochabambans to discuss ideas and strategies in order to reach a consensus on decisions or proposals that would be presented at the *Coordinadora* assemblies, the next level of political organization. Here, each popular assembly would elect a representative to share the concerns or viewpoints relevant to their sector and participate in strategic analysis or the drafting of joint communiqués. Those who did not belong to any particular sector were also allowed to attend such that their concerns would not go unheard. Decisions made at the *Coordinadora* assemblies would be taken to the *cabildos* – town meetings – where they would be presented for popular approval or rejection:

> Between fifty and seventy thousand people attended the *cabildos*, which were held in large public plazas. At this level of assembly, though representatives addressed the crowds, there was an undercurrent of popular democratic participation and commentary. The crowd responded to different proposals by expressing a collective sentiment, by either applauding or making disapproving noises such as boos or whistles. Sometimes the leaders had to follow the people (Olivera, 2004, p. 38).

Thus, as the April 4 deadline passed and the government again reneged on its promises, a collective decision was made to march to the *Aguas de Tunari* offices and occupy it, despite the reservations of the *Coordinadora*, which was in favour of giving the government a 24-hour deadline to respond (Assies, 2003). Likewise, when the government subsequently sent a delegate

of ministers to meet with the Civic Committee, citizens surrounded the building, refusing to move until the *Tunari* agreement was annulled. The leaders of the *Coordinadora* were sent in and were barred by the crowd from leaving until they had reached an agreement with the officials inside (Olivera, 2004). Rather than use this opportunity to defuse the tension, security officials decided to arrest the *Coordinadora* leaders and disperse the crowd, forcefully. A series of mass protests were sparked anew which saw, over the course of eight days, the occupation of the entire city by ordinary Cochabamban citizens, the eventual release of Olivera and the other *Coordinadora* leaders, a campaign of brutal repression in which martial law was declared and the Bolivian army was brought in to quell the demonstrations – resulting in several fatalities and hundreds of injuries – and a new series of broken promises from a government which continued to flip-flop on the cancellation of the agreement (Assies, 2003; Olivera, 2004; Runyan, 2003). Nevertheless, the continued pressure of the demonstrations would slowly crack the resolve of the government, and as Olivera (2004) explained, on the final day of the battle, April 10,

> ...we would mobilize one hundred thousand people and would win the expulsion of *Aguas del Tunari.* We would also win a drastic modification of Law 2029 based on a proposal put forth by the *Coordinadora.* After fifteen years of defeats, the April days would come to represent the first victory of the people against the neoliberal model (p. 37).

## The Aftermath

The Cochabamban victory over Bechtel, the Bolivian government, and the World Bank, did not signal the end of the resistance by any means. Although the citizens of Cochabamba had won a decisive battle and had forced the government to accede to their demands, many realized that the war was not yet over. Now that Bechtel had been forced out of Bolivia, there remained the important matter of who was going to administer SEMAPA and how the system was to be run.

For many of us living in the global North, discussions surrounding the issue of who should manage services such as water, energy, and transportation can often be reduced to a debate between private and public ownership. Therefore, in the aftermath of the de-privatization of SEMAPA we might naturally assume that there would be a reversion to the kind of municipal ownership that characterized Cochabamba's water services prior to the Water War.

The restoration of municipal responsibility over SEMAPA is, in fact, what occurred in the months directly following April 2000. Yet, in contrast to what one might expect, this move was greeted with frustration rather than applause from local Cochabambans (Olivera, 2004). In order to understand why, one must first realize that the Cochabamban struggle was not simply a fight to restore municipal ownership over local water supplies. Beyond the visceral response to a foreign company attempting to profiteer from a vital Bolivian resource, it constituted a mass rejection of the disempowering impacts of decisions made regarding the economy without popular consultation and approval. The Water War was a collective cry for a democratic political economy to supplant the authority of the institutions that had allowed Bechtel to buy and exploit SEMAPA in the first place. And it was this same hierarchy that had characterized SEMAPA's municipal administration of the Cochabamban water supplies prior to its sell-off.

As a result, in April 2002, an agreement negotiated by the *Coordinadora* was reached between the Bolivian government and SEMAPA, opening the management of Cochabamba's waterworks to the community. The board of directors became subject to an election in which ordinary citizens could participate, and pre-existing water cooperatives in the region that had been rendered illegal by Law 2029 were now able to work in partnership with the *Coordinadora* to again provide water supplies (Olivera, Gomez, & Olivera). Rather than succumb to the private-public dichotomy, the residents of Cochabamba began to bypass state and corporate

interests by collectively reclaiming their water through cooperative management and ownership. And not only has SEMAPA been able to escape the neoliberal logic of profit through privatization, by posting surpluses within its first few years of collective management it has proven that alternative models of political economy are, in fact, viable and can be highly successful in attending to the needs of our communities. The experiences of Cochabamba gives significant hope to those who are searching for liberation through the creation of new economic spaces of community ownership, free from the hierarchy and exploitation of the neoliberal status quo.

## The Significance of the Bolivian Experience

The 2000 Bolivian Water War was but one of countless examples of grassroots resistance to neoliberalism occurring over the past decade; many of which, like Cochabamba, have tended to escape the attention of mainstream Western media and academia. Within Bolivia alone, several more popular wars of resistance have been fought since the year 2000, including the 2003 Gas War and, more recently, the 2005 Water War (Braun, 2005; Grant & Shiffler, 2005). However, while these instances of resistance share some notable similarities, I selected the Cochabamban example as an important grounding point for the current discussion on neoliberalism for several reasons.

First and foremost, the *Aguas del Tunari* agreement that led to the first Water War represents one of the most unabashed attempts by a transnational corporation to strip foreign nationals of their ownership of an indigenous resource in order to sell that same resource back to local citizens at outrageous profit margins. It thus provides an unequivocal example of the underlying *economic* incentives that are pursued by corporate entities and justified by the

doctrine of neoliberalism, without any regard for issues of human rights or environmental degradation. And as I have previously argued, the vested economic interests of those who benefit from the neoliberal status quo has been largely ignored by community psychologists. Our efforts to establish a theory of oppression and liberation has crucially failed to address the overwhelming economic basis for the existence of power differences in society. In my opinion, this oversight clearly indicates the inadequacy of our knowledge on oppression and renders psychopolitical validity a criterion that cannot be fulfilled without some measure of structural validity within our discourse.

Secondly, while the Bolivian experience reveals some notable gaps in CP's knowledge, it also provides us with some important clues as to how these spaces should be filled. The Water War clearly illustrates the manner in which much of the systemic oppression around the world is linked directly to the doctrine of neoliberalism, through the policies of the international financial institutions and the institutionalization of its discourse. Accordingly, community psychologists should make it a priority to understand what the neoliberal doctrine entails for the global political economy in order to grasp how systemic oppression is being economically woven into the fabric of the status quo. We need to educate ourselves in a) the roots of the neoliberal doctrine within the classical and neoclassical schools of economics, and b) the inherent values and beliefs of the neoliberal discourse and how it contributes to a system of control based on consent. The attainment of such knowledge is a crucial step towards fulfilling the criteria of structural validity.

Finally, the Cochabamban project of searching for an economic alternative to the neoliberal model of private profit and ownership provides an indication of how organized resistance that appears to be political in scope typically has underlying economic motives and consequences. Within this context, we can view the popular assemblies organized by the citizens of

Cochabamba during the Bolivian Water War as a prefiguration of the subsequent restructuring of SEMAPA along the lines of a participatory or solidarity-based model of economics. The Bolivian resistance, therefore, underscores the importance of extending CP's values of participation, collaboration and social justice to a broader arena where we can potentially shift our economy from a system premised on hierarchical relations of oppression to one that engenders collective liberation. Such community-based projects of economic transformation could offer community psychologists with many opportunities for engaging in action that is truly transformative in its scope, without necessarily relinquishing the roles that we have already established within our community settings.

In the remaining chapters, I will be exploring these latter two points in greater detail, illustrating the importance of structural validity to achieving a critical understanding of oppression and a transformative vision of liberation. Chapters 3 and 4 will be taking a look at the rise of the neoliberal doctrine, from an offshoot of neoclassical economic theories to the dominant ideology of the global status quo, and the subsequent effects of its economic policies on countries around the world. Chapter 5 will attempt to extend our critical analysis of neoliberalism by examining it as a discourse that normalizes particular values and beliefs conducive to free market economics and by positing this discourse within a broader system of control based on consent, rather than coercion. The final chapter will look at the possible routes for building counter-hegemonic spaces and institutions that target the economic structure of society. I will conclude by outlining a set of core recommendations that I believe are necessary for community psychologists to be able to contribute to such projects of transformative resistance.

## III. A HISTORICAL AND IDEOLOGICAL NARRATIVE OF NEOLIBERALISM

> One and only one goal defined the purpose of neoliberalism in Bolivia: to intensify the exploitation of our natural resources in order to increase corporate profit. As a result...we Bolivians – like people from all of the world's poorer countries – have been stripped of our material inheritance and natural resources. We have been robbed of the products that Bolivian men and women have collectively built and conserved. The transnationals have stolen our airplanes, our railways, our roads, our communications, our hydrocarbons, our factories, and our land (Olivera, 2004, p. 14).

In order to effectively understand how the neoliberal doctrine functions within a modern context and gives rise to events such as the Bolivian Water War, it is necessary to examine its roots in Western economic theories and understand how these theories contributed to the institutionalization of free market capitalism. Accordingly, the current section will primarily serve as a brief historical introduction to the economics of neoliberalism, tracing the roots of its discourse from classical economics to the monetarist, Milton Friedman, and finally to its formal emergence after the decline of Keynesianism. Such a historical overview has admittedly been conducted elsewhere in greater detail and, unfortunately, I will be excluding a number of important historical figures and events for the sake of brevity. However, I also realize that many community psychologists are likely to possess only a vague familiarity with this narrative, so an introduction, no matter how brief, is both necessary and appropriate to the topic at hand. Moreover, it will serve as an important background to the broader roots of the Bolivian Water War, providing a context of understanding for both the nature of the oppression that occurred and the effectiveness of the Cochabamban resistance. We begin our inquiry with the principles of market-based economics laid out in what is perhaps the most significant economic text ever written, Adam Smith's *The Wealth of Nations*.

## The Birth of Classical Economics

The Wealth of Nations marked a monumental moment in the history of economics. Appearing seemingly out of the blue, it unleashed Adam Smith's astounding theories of the marketplace onto the largely proto-capitalist landscape of 18th century Britain. His goal was no less than to expose in minute detail how the natural laws of a self-regulating marketplace would lead the self-interest of individuals engaged in free competition with one another towards economic outcomes that were optimal for society as a whole. Not only would the *laissez-faire* marketplace produce the goods that society desired in the quantities that it demanded and at the prices that it was willing to pay, it ensured that the drive for an ever-increasing accumulation of capital would create the kind of productivity and economic growth that would lead to a continually expanding pool of wealth for everyone.

Smith's (1909) understanding of market mechanisms rested upon some very basic, and apparently, impenetrable assumptions. He showed that in any given economic environment, the need to earn a basic level of subsistence through economic means ensures that an individual's self-interest will lead them to occupy whatever work society demands. This same self-interest will continue to govern the individual's actions within the marketplace such that they will continually seek to outperform their competitors. Yet, this feature of human behaviour is in fact the key to Smith's critical notion of the 'invisible hand' of the market – for any given individual is confronted by a host of rivals who are similarly motivated through self-interest to accumulate as much capital as possible by outdoing *their* competitors. Rather than allowing the marketplace to spiral out of control into a free-for-all of unrestrained profiteering, the nature of the free market would actually serve to prevent any individual from gaining to the detriment of their fellow citizens. To illustrate this point, Smith showed that anyone seeking to increase the prices

of their goods above the established market value in order to generate greater profits would simply be undersold by their competitors in the marketplace who would only gladly jump at the opportunity to secure a greater market share. Consequently, demand for this individual's goods would fall and they would be forced to lower their prices back to market value or risk going out of business. In this manner, for any given market of commodities, prices are kept at a consistent equilibrium. Similar market mechanisms would also ensure an equilibrium of demand and supply for any particular good.

While Smith is rightfully touted as being the first to generate a comprehensive set of insights into the purported 'logic' of market mechanisms, he was limited by the fact that he lived during a period of time when capitalism was only just beginning to emerge from the remains of mercantilism (Heilbroner, 1986). As a result, being bound by the realities of late 18$^{th}$ century Britain, Smith was forced to elevate his analysis of the ideal competitive marketplace to a conceptual level of contemplation, having few real-life examples of complex industrial markets on which to base his assumptions. What are the implications of his basic model of economic behaviour within the marketplace? Certainly, within a hypothetical community that consists solely of similarly-motivated and rational individuals with access to all the market information on which they need to base their self-interested and voluntary exchanges, Smith's core assumptions of a freely competitive marketplace might hold true. In this ideal society the 'invisible hand' of the marketplace would be able to guide economies towards a level of optimal efficiency and generate a sufficient amount of distributed wealth. Such a vision is undoubtedly a highly attractive theoretical scenario that lends itself quite easily to those who hold an unshakeable belief in the fundamentally rational quality of economic behaviour. Secure in the knowledge that the laws that govern the marketplace are as natural as those that govern nature

itself, such free market advocates argue that to obtain optimal economic outcomes for society we should simply *laissez-faire* – leave it alone. But to anyone with even the briefest experiences in a modern capitalist society, it becomes quite clear that the above assumptions in their most basic form require a significant stretch of the imagination to envision. Yet, detractors and supporters alike have also tended to overlook that Smith appended a host of regulating principles and conditions that would have to exist before the mechanisms of the free market would function in the manner that he had prescribed (McMurtry, 1999). However, as we will see, modern economists have tended to ignore these qualifications and have instead celebrated Smith's idea of the 'invisible hand' with abandon, citing it as the core principle behind their faith in a self-regulating free market that, contrary to Smith's assertions, could achieve optimal outcomes with few, if any, conditions attached.

## Classical Economics Evolved: The Neoclassical School

Many of Smith's most basic assumptions regarding the marketplace were vigorously attacked, not only by radical thinkers of the day, but by conservatives and liberals alike (Clarke, 2005). Yet, economic theory did not remain static. A new school of economics would develop to augment and refine the tenets laid out by adherents of the classical school. These 'neoclassical' economists began to emphasize the role of 'constrained' choices and the *subjective* utility of these choices in satisfying our needs (Caporaso & Levine, 1992). Our goal as humans is thus to attain as much satisfaction as we possibly can given the limited availability of resources to us. However, neoclassical economists would constitute the first in a long line of economists that would distort Smith's assertions by stressing that the participants in *any* given market exchange were equally *voluntary* and *informed*, acting in a completely rational way such that the outcomes

of said exchange could only increase the welfare of everyone involved. By ignoring the existence of power differentials in society and trivializing the effects of market exchanges on external, non-participants as value-neutral 'externalities,' the neoclassical economists took for granted the idea that no one would enter into an exchange if it was not mutually benefiting. And, according to their beliefs, what was mutually beneficial for the parties involved could only increase the well-being of society as a whole. While admitting that markets were not as perfect as the classical economists might have assumed and that the government certainly had a limited role to play in enforcing the 'rules of the game', adherents of the neoclassical school continued to promote the idea that laissez-faire capitalism would ultimately produce the most positive outcomes for society at large. In this manner, by selectively clinging to some of the core assumptions of classical economics, they deflected vital criticisms aimed at the coercive power of asymmetric market exchanges, the increasingly unequal distributions of capital, and the exploitative conditions of wage labour under capitalist production. In fact, rather than giving recognition to the oppression and inequality that is engendered by market forces and relations, neoclassical economists would assert the direct opposite: capitalism is freedom.

Perhaps the most influential neoclassical economist and founder of the economic discourse of neoliberalism was the monetarist Milton Friedman, who argued forcefully that not only is laissez-faire capitalism more efficient than managed economies, it is inherently more *free*. In his most famous work, *Capitalism & Freedom*, Friedman (1962) made the case that the political economy of free market capitalism is fundamentally synonymous with economic freedom and that any attempt to curtail this freedom by directing the economic activity of a nation and imposing controls over private enterprises would end in disaster. In a sweeping polemic against economic interference by the government, Friedman attacked public education and healthcare,

progressive taxation, fair-trade laws, social security and welfare measures, labour unions, the minimum wage, and so on, until every single measure of control set upon the economy was exposed as a destructive force producing gross inefficiencies and restricting the true potential of economic growth. More importantly, these 'coercive' government measures set limits on the self-interest and freedom of those who had both the desire and ability to utilize their skills and property to accumulate wealth, which, as a defender of individual freedom – Friedman was a self-avowed 'liberal' – one could not tolerate. For Friedman, the course was clear: cut all taxes and tariffs, roll back government spending to a bare minimum and privatize all public industries such that every single citizen is able to utilize their democratic freedom to choose, with their pocketbooks, the kinds of goods and services that they want. This way, he argued, no one could infringe upon the freedom of anyone else's right to choose through coercive measures:

> So long as the effective freedom of exchange is maintained, the central feature of the market organization of economic activity is that it prevents one person from interfering with another in respect of most of his activities. The consumer is protected from coercion by the seller because of the presence of other sellers with whom he can deal. The seller is protected from coercion by the consumer because of other consumers to whom he can sell. The employee is protected from coercion by the employer because of other employers for whom he can work, and so on. And the market does this impersonally and without centralized authority (Friedman, 1962, p. 14-15).

Friedman, like Smith, clearly believed that people within the marketplace can act on the basis of self-interest and still achieve a common good due to the range of choices they, and others, have in deciding who to interact and exchange with. However, he took his advocacy of voluntary, non-coercive economic exchange under the free market and tied it explicitly to *political* freedom, such that a refutation of laissez-faire capitalism as a system of economic organization was equated with a refutation of freedom itself:

> Indeed, a major source of objection to a free economy is precisely that it...gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself (Friedman, 1962, p.15).

It is here that we find one of the most significant insights into the development of neoliberalism as an ideology: the transformation of neoclassical (and, by extension, classical) economic assumptions regarding markets and human behaviour into a theoretical basis for an explicitly political doctrine. For Friedman, free market capitalism was not only the most efficient means of maximizing utility and producing economic growth, it was the universal foundation for any true political system of freedom. Although Friedman continued to refer to his doctrine as liberalism, observers recognized that it diverged notably from the liberalism of the classical economists; thus the term *neo-liberalism* was born.

## The Keynesian and Social Democratic Reformation

It is amusing to reflect on the fact that both Marx and Friedman would have agreed that the basis of liberty lies in the economic organization of society, yet their analysis of free market capitalism led one to believe that it was the source of unbridled oppression and exploitation, bound for an inevitable grave, while the other concluded that it constituted the pinnacle of economic and political freedom, offering the greatest potential for universal well-being. In a hypothetical exchange between the two, would a clear winner have emerged?

During the time that *Capitalism & Freedom* was published in the 1960s, the answer would have appeared to be no. Many economic systems, particularly in the West, would have confounded both Friedman and Marx. Not only were nations managing to reconcile the

contradictions that Marx claimed would lead to the eventual collapse of capitalism, but through their mixed economies were utilizing government intervention in a manner that allowed them to direct the course of markets towards high rates of economic growth and low unemployment, something that Friedman thoroughly rejected as a possibility. Under the direction of the Keynesian school of economics and influenced by the success of the social democratic reforms implemented in Scandinavian countries such as Sweden and Denmark, nations around the world began to recognize that free markets tended to result in a state of imperfect, rather than perfect, competition, necessitating government intervention to direct various aspects of the economy towards optimal outcomes.

While many countries would reach these conclusions on their own, the economist who laid the most influential theoretical groundwork for challenging liberal economic assumptions was John Maynard Keynes. Written shortly before World War II, Keynes' *The General Theory* aimed to accomplish a seemingly simple task: to illustrate that the assumptions of classical economic theory were highly specified and unrepresentative of *general*, real-life conditions. He stated famously in his opening remarks,

> I shall argue that the postulates of the classical theory are applicable to a special case only and not to the general case... Moreover, the characteristics of the special case assumed by the classical theory happen not to be those of the economic society in which we actually live, with the result that its teaching is misleading and disastrous if we attempt to apply it to the facts of experience (1964, p. 3).

And this is exactly what he did. In a highly complex and technical series of arguments, Keynes showed that the stock market crash of 1929 and the subsequent Great Depression which had devastated world economies was no anomaly; it was caused by aspects of the free market

that were intrinsic to human behaviour. As a result, during these periods of crisis, when private investments faltered, society could not count on Adam Smith's invisible hand to come to the rescue by driving the economy ever onwards. Keynes demonstrated quite clearly that it was just as plausible that the market could settle to equilibrium during a recession as it could in an economic boom. What was needed during these moments of decreased consumer and investor confidence was motivation from the government in the form of public spending, which was exactly what nations such as the United States turned to during the 1930s and the Second World War. Keynes' advice proved to be prescient – at the height of government investment during the 1940s, the U.S. economy would create enough growth to virtually eliminate unemployment, something that had been unthinkable only 10 years earlier. These trends would continue for almost 30 years under what would eventually be known as the 'Golden Age' of the West, where government-led economies saw increased prosperity, relatively equal income distribution, and controlled levels of inflation and unemployment (Palley, 2005). Keynesian thought would enjoy widespread acceptance during these years and it was only when the system collapsed once more in the 1970s that his ideas began to lose popularity and eventually lost influence altogether. It was this Post-Keynesian period that would set the stage for the revival of classical economics under neoliberalism.

## The Neoliberal Ascendancy

Keynes was certainly no radical. He was the product of a conservative upbringing that saw him occupy the affluent classes of British society with ease, having earned millions in speculative currency trading. Keynes had merely written his treatise as a means of correcting what he perceived to be deeply flawed postulates that had dominated mainstream economic

understanding since the 18th century, however, he nevertheless remained an ardent believer in virtues of capitalism. Therefore, while advocating governments to act as a countervailing force in offsetting market volatility he warned them to restrict their involvement to the appropriate occasions and to otherwise practice restraint during periods of economic stability (Heilbroner, 1986). If Marx was the prophet of doom and Friedman the utopian visionary, then Keynes can be safely regarded as the incorrigible pragmatist.

Yet, as we have seen, to the champions of neoliberalism, even the most unobtrusive interference by the government constituted a flagrant assault on individual liberty. It is little surprise, then, that advocates of neoliberalism began to paint the Keynesian reforms as the first step towards a full-fledged descent into totalitarian socialism. These views are to be found in Friedrich Hayek's renown indictment of centralized planning, *The Road to Serfdom*, written in 1944, which arguably paved the path for the eventual political success of Friedman and his Chicago School of Economics. Primarily a philosophical and political essay on the vices of government control over economic affairs, Hayek condemned all measures of planning as inherently totalitarian and, like Friedman, posited free market capitalism as the only means of preserving individual liberty:

> It is indisputable that if we want to secure a distribution of wealth which conforms to some predetermined standard, if we want consciously to decide who is to have what, we must plan the whole economic system. But the question remains whether the price we should have to pay for the realization of somebody's ideal of justice is not bound to be more discontent and more oppression than was ever caused by the much-abused free play of economic forces (Hayek, 1944, p. 99).

Hayek directed his words mainly at the rising popularity of socialist and collectivist thought among progressives, painting any liberal who dared to suggest that governments could rightly

intervene to maximize economic well-being as an unknowing supporter of totalitarianism. He was therefore naturally alarmed by the growing trend towards social democratic reform, a concern that would be echoed by Friedman and his neoliberal followers twenty years later. Thus, when the late 1960s saw the arrival of the phenomenon 'stagflation'–stagnated economic growth combined with increasing rates of inflation–the neoliberals were ready, and indeed, had been prepared for some time, to seize the opportunity and declare that the Keynesian model had failed, vindicating their ideas and providing a much-needed window for the introduction of neoliberal economic policies (Palley, 2005).

However, before neoliberalism was to achieve mainstream success, what was needed was a testing ground to display the viability of neoliberal policies. This opportunity would conveniently materialize in 1973, when a CIA-backed coup of the democratically elected president of Chile, Salvador Allende, led to the installation of an authoritarian regime led by General Augusto Pinochet. In what would come to characterize the disingenuousness of the neoliberal discourse, the doctrine of 'economic freedom' as propounded by the likes of Hayek and Friedman was to be reintroduced to the world under the backing of a totalitarian military junta, which had severely curtailed all forms of political and social freedom among Chileans and would systematically murder and torture thousands of civilians during the course of its rule (Grandin, 2006; Palast, 2006). But for the neoliberal economists, the timing was perfect. Through a fortuitous exchange program that had seen Chilean students receive their education at American universities throughout the 1950s and 1960s, a number of young economists would return to Chile, heavily influenced by the teachings of Friedman and his advocacy of neoliberal economic policies. What these *Chicago Boys* (named after Friedman's Chicago School of Economics) found in Pinochet was a potential backer for their proposed free market reforms.

Friedman himself was only too happy that a group of protégés was on the verge of turning his principles into reality and promptly flew to Chile in 1975 in order to convince Pinochet of the merits of following the Chicago Boys' 'shock therapy' treatment, which involved sharply reducing government spending, privatizing all state-owned industries, deregulating the marketplace, cutting down trade barriers and opening the country to foreign investment (Cypher, 2004; Grandin, 2006). In short, Chile was to become *the* model for laissez-faire capitalism.

And what were the results? We will examine the true impacts of the Chicago Boys' reforms later. For now, suffice it to say that it was a *self-avowed* success, and in early 1980s, Friedman famously proclaimed that the world had witnessed 'an economic miracle' (Cypher, 2004; Grandin, 2006; Palast, 2006). Hayek would follow Friedman's journey south and in 1981, paid a visit to Chile in order to congratulate Pinochet on his success. He was so impressed by the economic policies of the totalitarian regime that upon his return to Britain, he advised then-prime minister Margaret Thatcher to consider Chile as the ideal model for the British economy of the future (Grandin, 2006). It was a piece of advice that Thatcher took seriously given her admiration of Hayek's writings and would soon put into practice over the course of her incumbency. The United States would follow suit under the guiding hand of Reagan's 'Reaganomics,' Canada under the stewardship of Brian Mulroney, and before long, the neoliberal agenda would begin to snowball as nation by nation, economies of the West began to disregard Keynesian policies and the social democratic model, unleashing a deluge of privatization, tax-cutting, trade liberalization, and spending cutbacks. This neoliberal union among nations of the West was later dubbed 'the Washington Consensus,' a united celebration of free market fundamentalism that was proclaimed by Reagan when he addressed the World Bank and IMF in 1981, stating,

> The societies which have achieved the most spectacular broad-based economic progress in the shortest period of time are not the most tightly controlled, not necessarily the biggest in size, or the wealthiest in natural resources. No, what unites them all is their willingness to believe in the *magic of the marketplace.* (emphasis added) (Reagan, 1981).

The economic and political affirmation of this faith in the magic of the free market continues to characterize the domestic and foreign policies of most Western nations today, serving as a lasting legacy of the rightward shift towards a universal acceptance of the neoliberal economic discourse.

## Tightening the Neoliberal Noose: The IFIs

The sudden turn in economic policy among Western nations away from Keynesianism and towards neoliberalism would have inevitable impacts on the developing world. Many nations in the global South had long-resisted the free market model, having realized that it was unsustainable as a program for economic development and ultimately resulted in increased foreign dependency. Yet, for many, the options were limited given that their nascent, post-colonial economies were plagued by issues of poverty and chronic instability, which often meant depending on foreign assistance for financial aid and debt relief. In practice, this meant that their economic policies were *de facto* at the mercy of the International Monetary Fund and World Bank, transnational financial institutions that were originally created to cope with the economic aftermath of World War II (Peet, 2003).

Towards the end of the Second World War, a large delegate of nations headed by Britain and the United States met in Bretton Woods, New Hampshire, in order to discuss how the post-war world economy was to be managed. There was a general consensus that the protectionism

which marked the trading policies of the 1930s was to be abandoned in favour of a more free-flowing exchange of goods between countries and that there would be a need to establish a common standard of currency exchange. However, while Keynes and other notable delegate members fought to preserve some measure of equality between the countries, the European delegates were unable to overcome the power of the United States and the demands of its Treasury Secretary. Europe was in no position to argue; its infrastructure had been decimated by the war and it was in desperate need of American assistance to rebuild its economies. Consequently, much of the final Bretton Woods agreement that was pushed through leaned heavily in favour of the United States, giving it unprecedented control over the newly ratified global economic order (Hobsbawm, 1994; Peet, 2003). While the agreement itself would fall apart during the 1970s stagflation crisis, the three main international financial institutions (IFIs) that emerged from the Bretton Woods conference – which we know today as the IMF, the World Bank, and the WTO – survived and would soon serve to expand neoliberal hegemony under US guidance.

While the IMF and World Bank are perhaps the most significant supporters of the neoliberal doctrine today, their primary mandate among countries of the developing world until the late 1970s was to relieve poverty, a task which was carried out with mixed success. Yet, despite the fact that these IFIs were heavily steeped in the language of neoclassical economics, like the dominant economies of the world during this period they, too, subscribed to the dictates of Keynesian policy-making and accepted the need for state intervention and planning. But as the United States began to subscribe to the dictates of neoliberalism, its sway over the IMF and World Bank meant that they would eventually follow and soon their priorities shifted from poverty alleviation to correcting the 'structural' inefficiencies that were believed to be plaguing

developing nations. The IMF and World Bank would combine forces to ensure that countries experiencing chronic financial difficulties utilized their loans in correcting what were perceived as systemic economic problems preventing long-term economic growth and development, and more importantly, the repayment of their debt.

Whereas loans were previously project-based and were provided to aid domestic programs that would directly alleviate conditions of poverty, from 1980 and onwards, loans from the World Bank and IMF would become *policy*-based along the lines of neoliberal notions of 'structural adjustment.' This effectively put the onus on developing nations to grapple with their own poverty and development issues by restructuring their economy in a suitable manner. In line with the neoliberal doctrine, what was considered suitable was to privatize and open their domestic markets to foreign investment. In order to guide the restructuring process towards the establishment of a free market economy, a strict, and often austere, set of structural adjustment policies would be attached to loans, which as we saw with Bolivia, became the explicit condition for receiving new loans or for drawing from previously-held loans aimed at both poverty alleviation and debt relief. Future loans would also be subject to evaluations that would gauge how successfully a nation had followed the stipulated conditions, with the World Bank recording as many as 50 measures of performance per country (Peet, 2003).

It was against this backdrop during the 1980s that Bolivia became one of the most important testing grounds for the coerced implementation of neoliberal policies through the IMF's structural adjustment programmes (SAPs); a campaign that would continue right into the 1990s, with significant support from the Bolivian leadership (Schultz, 2003). While Chile had already been hailed as a fantastic success, the process of restructuring its economy had admittedly received significant accommodations from an authoritarian regime that was greatly sympathetic

to the tenets of neoliberal economics. Not every country in the developing world would fall into the same category. As the poorest, and therefore one of the most dependent, nations in South America, Bolivia offered neoliberals the unique opportunity to use the IFIs to corner democratically-elected policymakers into submission. The United States and its neoliberal doctrine would no longer need to court, or in many cases, help to create, totalitarian client states in order to consolidate its dominance; it could now utilize the IMF, World Bank, and WTO as mechanisms of coercion to level trade barriers, privatize foreign industries, and assimilate economies of developing nations into the growing 'free market' of the global North.

The convenient implications of free market globalization were that North American and European corporate investors could now expand their profit shares by procuring lucrative opportunities in the Global South after having used the IFIs to overcome any potential legal or economic barriers, rendering developing countries completely vulnerable to foreign economic exploitation. And through their tendency to enhance existing economic inequalities, such structural adjustment campaigns would help to create an economically advantaged and influential elite class of allies within countries like Bolivia, which had the added advantage of ensuring greater political leverage in molding the economic policies of these countries to suit the evolving dictates of free market fundamentalism. Thus, there was no shortage of enthusiasm among Bolivian government officials for the World Bank-initiated water privatization program and they happily swept aside any remaining legal barriers to allow the initiative to commence; hence the passing of Law 2029 (Kruse, 2003). In fact, this outcome would have come as no surprise. Within the broader context of the large scale privatization of Bolivian industries during the 1990s, the Bolivian public water supply was simply one of the last frontiers to be overcome in a sweeping effort to expose every corner of Bolivia's economy to the logic of the neoliberal

free market doctrine.

Neoliberalism as 'Disaster Capitalism'

In a recent book called *The Shock Doctrine*, Naomi Klein (2007) retells, albeit in much greater detail, the narrative of the rise of neoliberalism and its roots in the Chicago School of Economics. Despite treading some of the same ground that has been covered here and in other accounts of the origins of neoliberalism (e.g. Harvey, 2005; Peet, 2003), Klein sheds some crucial light on the manner in which neoliberal free market capitalism has been historically dependent on moments of crises, whether natural or artificial, to advance its economic goals of privatization, deregulation, and spending cutbacks. While the IFIs have certainly proved indispensable in forcing the gradual adoption of market-friendly reforms among client states, moments of crisis or disaster pave way for the unique possibility of implementing a rapid campaign of neoliberal economic reorganization. This notion of 'disaster capitalism,' where the neoliberal corporate-state oligarchy adapts collective civil turmoil to their economic advantage, lies at the heart of Friedman's advocacy of shock therapy.

Klein (2007) takes us beyond the examples of neoliberal-sanctioned shock therapies under American-sponsored Latin American dictatorships, to such diverse events as the Tiananmen massacre, Hurricane Katrina, the 2004 Tsunami, and the Iraq War. In each case, a tragic or cataclysmic moment of crisis was opportunistically seized upon and converted into an economic gateway to liberalize the market, privatize public institutions, and pare back social spending to a bare minimum. The execution of the neoliberal shock doctrine through disaster capitalism provides the most cogent example yet of the explicit economic underpinnings of systemic global oppression and the central role of political power in facilitating the economic exploitation of a

population in disarray. Thus, as Klein (2007) argues, the collective shock experienced by the American people after the September 11 attacks gave the Bush administration a golden opportunity to finish the American project of institutionalizing neoliberal economic policies, which Reagan was unable to carry out to its full extent. The effect of the shock doctrine is compared to the primary goal of torture: promoting the disorientation of the subject to such an extent that they can no longer exercise rational thought or self-defense, and instead, are rendered completely vulnerable to suggestion and coercion. In a similar manner, the American citizenry was so deeply affected by the events of 9/11 that the government was able to whittle away at their democratic freedoms and rights with their consent, passing the authoritarian Patriot Act and leading the country into a reckless war that was primarily aimed at achieving economic gains for the American corporate elite.

While Klein's analysis provides cogent insight into the political abuse of disaster for economic gains, my primary criticism is that it runs the risk of concealing alternative explanations for both acquiescence and resistance to the coercion of the status quo. For example, Klein (2007) claims that without 9/11, US president George W. Bush would have never dreamed of successfully implementing his security plans and finding domestic approval for the War on Iraq. Certainly, one might agree that Bush may have never achieved majority approval for his plans, however, that does not imply that a significant proportion of Americans in Republican strongholds would have disapproved of such initiatives even if the tragedy of 9/11 had never occurred. The 'shock' of disaster can certainly help consolidate political power for the ideological pursuit of economic gain; however, it is not always necessary for there are other hegemonic forces capable of molding public consciousness into the desired forms.

In a similar vein, Klein (2007) asserts correctly that Bolivia experienced its own economic

form of disaster capitalism during the 1980s, which opened the path to the rapid liberalization of the Bolivian economy. However, what was truly extraordinary was not only that the marginalized indigenous citizens of Cochabamba dared to resist these advances, but that they would successfully repel the combined forces of the transnational IFIs and the Bolivian state, directly pointing to the disingenuous doctrine of neoliberalism as inherently oppressive and incompatible with their rights and freedoms. The example of Bolivia reveals that even a society that is in a state of shock can overcome its disorientation to identify the economic exploitation that is occurring and to mount a grassroots counter-attack against the status quo's deployment of political coercion and violence. Yet, the converse is also true: a society which has rarely experienced disaster or tragedy may exhibit a heightened display of compliance and conformity to the neoliberal dictates of the status quo, due to the hegemonic dispersion of neoliberal values and beliefs.

## Moving Forward

Before we can elaborate the values and beliefs, both explicit and implicit, that are found within the neoliberal discourse and explore their implications for the building of movements of resistance, a question that was posed earlier deserves an answer. Specifically, between Friedman and Marx, who was right? We saw that the mediator between the two, Keynesianism, was unable to withstand the neoliberal offensive, and eventually succumbed to the rising popularity of laissez-faire economics. On the surface, it would appear that free market capitalism has prevailed – but, of course, this does not necessarily mean that it has been vindicated. In order to arrive at a satisfactory answer to the above question, it is necessary compare the claims that Friedman and Marx made concerning capitalism with the actual outcomes that have been observed.

Our narrative of neoliberalism will therefore continue into the next section where we will examine the impact of neoliberal restructuring on nations around the world. In doing so, we will arrive at a clearer picture of just how deeply the neoliberal doctrine has affected the fabric of communities within both the global South and North. And in contrasting the real economic effects of neoliberal policies with the claims that its detractors and supporters have made, I will provide evidence to support my argument that a standard of structural validity is vital to any discipline that intends to integrate into its discourse a critical understanding of the roots of oppression.

## IV. NEOLIBERALISM BY THE NUMBERS

Karl Marx believed unequivocally that the path beset by capitalism would only lead to greater immiseration of the working classes and an increasing concentration of capital in the hands of an elite minority. Inevitably, the socioeconomic distance between the classes would rise and inequality would grow. In the long-run, this effect would exacerbate pre-existing contradictions inherent in capitalist production, contributing to periods of crisis and leading to the eventual destruction of capitalism. Milton Friedman, predicted the exact opposite and asserted that, while not completely egalitarian, capitalism in its ideal laissez-faire form would produce a higher level of equality than any other economic system and would simultaneously achieve the greatest level of economic efficiency and growth. Coupled with its ability to generate the most amount of economic and political freedoms, Friedman saw capitalism as the only system which could guarantee some measure of universal satisfaction among the populace. His vision, contrary to Marx, was of an expanding system of laissez-faire capitalism that would culminate in a globally prosperous free market society.

While the assertions of Marx and Friedman seem to diverge sharply, there is a common factor on which both of their predictions hinge, which intentionally or not, is equality. In order for capitalism to succeed, it must be able to guarantee some degree of socioeconomic equality such that the immiseration that Marx predicted does not take hold and produce the kinds of social and political upheavals that lead to mass poverty and revolution. Keynesianism was essentially a response to this problem, using government intervention to target full employment and provide a social welfare net for the economically marginalized. However, as we saw, the neoliberals flatly rejected these measures, maintaining that government-initiated welfare measures could only do more harm than good. They held fast to the neoclassical notion that the free market would provide maximum levels of equality and growth without the need for outside interference. The proliferation of neoliberal economic policies around the world over the past three decades reflects this purported faith in the magic of the free market.

## Chile's Shock Therapy

Unfortunately, for Friedman and other supporters of the neoliberal model, the statistics over these same three decades constitute a devastating indictment of their utopian view of capitalism, offering support to the Marxian claim that capitalist economies are prone to cyclical periods of crises and descend into ever-increasing inequality. Let us begin with Friedman's 'Miracle of Chile.' As observers such as Grandin (2006) and Palast (2006) have noted, the apparently miraculous boom beginning in 1978 that Friedman had observed was primarily the result of reckless neoliberal policies which had inflicted extraordinary economic suffering for the vast majority of Chileans and led to such a precarious cycle of lending and speculative investing that the end result was a catastrophic crash of the Chilean economy in 1982 – only months after

Friedman had made his famous statement. Despite the fact that these policies had partially reversed the sharp GDP contraction that characterized the post-coup economy during the initial years of the junta, this brief period of growth, pegged at an average rate of 8 percent per year, was financed by a national debt that had ballooned to $14 billion US in 1982 and rode on the back of an unsustainable rate of unemployment. Allende had managed to keep unemployment around 4 percent, but by 1983 this number had soared to 22 percent under Pinochet and would rise to nearly a third of the workforce by 1983 (Bello & Kelly, 1983; Grandin, 2006; Palast, 2006). Furthermore, the boom of 1978 was unable to completely reverse the 35 percent decline in real wages that had occurred shortly after the coup, rising to nearly their original 1970 levels by 1981 but only to fall sharply again in 1983 (Rayack, 1987). In short, much of Friedman's alleged economic 'miracle' was merely undoing the severe damage that had been inflicted by the Chicago Boys' shock therapy during the mid-1970s.

While neoliberals such as Hayek and Friedman saw the economic troubles and the political repression of the junta's early years as merely the birthing pains necessary for bringing about a free market economy that would soon yield a period of universal prosperity and freedom, the economic disaster that confronted the Chilean government in 1983 would eventually force the Chicago Boys to partially abandon their free market fundamentalism, in favour of restoring some measures of government intervention (Grandin, 2006). As Cypher (2004) and Tucker (2006) have pointed out, the stabilization and expansion of the Chilean economy that followed in the late 1980s was accompanied by significant direction from government agencies, a re-regulation of the deregulated financial sector, and trade assistance in the form of state subsidies and strategic aid. Consequently, when Chile is held up as a paragon of free market capitalism by neoliberals, there is a disingenuous attempt to focus on either the first period of recovery from

1978 to 1982, which in fact hastened the subsequent economic collapse, or the renewed period of recovery that occurred in the late 1980s, which was actually the product of some very Keynesian economic policies that saw a conspicuous level of government intervention.

Moreover, what is often completely sidelined is that despite having managed to bounce back by the 1990s from some of the worst effects of the Friedman-sanctioned shock therapy, Chile continues to struggle with notable socioeconomic problems stemming from the Pinochet era that have proven highly persistent. For example, the inequality that manifested itself during the 1970s has remained deeply entrenched and Chile continues to have one of the highest levels of income inequality in Latin America, after only Brazil and Guatemala, both of which likewise adopted austere neoliberal economic policies during the 1980s (Cypher, 2004). The richest 10 percent of Chilean society account for close to 50 percent of all income, earning over 40 times the income of the poorest 10 percent. Until the early 1990s, close to half of the population lived under the poverty line, a number that was only reduced when the Chilean government resorted to anti-poverty measures that clearly ran against free market dictates, such as adopting a minimum wage and increasing taxes to fund education and housing programs (Tucker, 2006). Still, other issues have been more difficult to uproot and Chileans continue to cope with a two-tier health care system that provides inadequate access to the most needy, with the costly private tier serving primarily the rich. Social security and pension funds remain privatized, leading to unacceptably high administrative costs and fiscal inefficiencies. Finally, the water system, which was completely privatized during the 1980s under the direction of the Chicago Boys, resulted in as much as a 300 percent increase in the real price of water services over the following decade, while increases in access to water proved largely insignificant due to poorer families being continually cut off from supplies (Tucker, 2006).

The U.S. and Canada

I noted earlier that Ronald Reagan was an avid supporter of the 'magic' of free markets and correspondingly, applied neoliberal economic policies with enthusiastic abandon over the course of his incumbency. Unfortunately, like the miracle of Chile, the magic of Reaganomics led to some of the worst socioeconomic inequality that the United States has ever experienced. During the late 1980s, the U.S. economy appeared to be well on its way to recovering from the economic crisis of the early 1980s, with the average real income of American families having finally inched past their 1977 level to a cumulative increase of 2.2 percent between 1977 and 1987. Yet, Reagan's economic policies were in actuality a disaster for most Americans with a only a small minority of the population seeing any real gains in their income during this same period. Thus, the bottom 80 percent of families continued to slip precariously downwards, in stark contrast to the richest 1 percent of the population that saw increases in income of up to 50 percent (Phillips, 1990). What we have here is a typical example of the kind of statistical distortion that occurs when mainstream neoliberal economists focus on overall or average income changes, rather than on changes according to subgroups of the population that experience stark differences in economic outcome. In order to understand the economic legitimization of oppression, it is imperative to grasp that the oft-claimed economic advancement of developed and developing countries over the past few decades usually stems from such myopic and superficial statistical analyses, belying the reality that these increases in wealth have been overwhelmingly pocketed by the most affluent members of society with the remainder of the population seeing very little 'trickle down' effects, if any.

The trend towards a growing inequality between rich Americans and the rest of the

population has continued into the present. Between 1975 and 2005, the bottom 80 percent of Americans saw their share of the national income fall significantly, with the bottom 40 percent of Americans continuing to experience a decrease in their real incomes compared to 1975, prolonging the trend from the late 1980s (Berliner, 2007). As of 2001, the top 20 percent had seen their share of the national wealth increase to more than 80 percent of the country's net worth and the richest 1 percent experienced nearly a doubling of their share of national wealth since the mid-1970s (Domhoff, 2005). And despite the decline in real incomes between 2000 and 2004, the bottom half of Americans continued to be the hardest hit, with the upper 20 percent seeing an almost negligible decline of 0.1 percent in their incomes (Mishel, Bernstein, & Allegretto, 2006). Such numbers clearly illustrate how the most affluent members of a neoliberal-run economy accrue the greatest gains from aggregate economic growth and remain largely insulated from the worst effects of periods of economic instability. The cliché that the rich get richer while the poor get poorer has plainly held true in countries like the U.S. that have adopted the neoliberal doctrine to guide their economic policies.

Starting most notably with Brian Mulroney during the 1980s, Canadian economic policies began to adopt some of the core tenets of neoliberalism, most clearly exemplified by the signing of the North American Free Trade Agreement in the 1990s. As a result, the impacts of neoliberalism in restructuring our socioeconomic realities are being felt stronger today than ever before. As has been the case across the globe, these impacts have manifested itself most conspicuously in the growing income inequalities that have become an inexorable characteristic of Canadian society over the past few decades. A study conducted recently by the Canadian Centre for Policy Alternatives (Yalnizyan, 2007) reveals some striking statistics: the top 20 percent of affluent Canadians control 75 percent of the nation's wealth while the top 10 percent

were 82 times as wealthy as the bottom 10 percent in 2004. As with the U.S., the share of wealth experienced by the bottom 80 percent of Canadians who currently earn less than $100,000 a year has decreased since the 1970s and the poorest have seen their income in real terms fall since then. Fully one in five Canadians – 2.8 million families – live below the low-income cut off line or LICO (previously referred to as the poverty line) with an estimated 1 million children living in conditions of poverty. Canadians are also generally working more, with the average household working 200 hours more per annum than during the 1990s, a significant exception being the top 10 percent who saw no change in their working hours. Thus, the vast majority of Canadians are working longer for a decreasing share of the pie while the richest log as many hours as they did a decade ago and experience nearly all the windfalls of a booming Canadian economy.

As the largest socioeconomic inequality that Canada has ever experienced has been left to grow over the past two decades, governments over this period, both Liberal and Conservative, have exacerbated it by cutting taxes and decreasing social spending, faithfully adhering to the neoliberal discourse of economics. The average effective tax rate for the richest 5 percent of Canadians fell by 2 percent between 1992 and 2004 compared to 1 percent for the rest of the population (Lee, 2007). However, the truly telling statistic is that the richest 0.01 percent saw their tax rates fall by 11 percent over this period while the poorest 20 percent of Canadians actually saw a notable *increase* in their tax rates (Lee, 2007). Meanwhile, Canadian public spending on social services as a percentage of the GDP has fallen considerably since its highest point during the early 1990s, and as of 2001 (the last year for which data is available) Canada sat 24$^{th}$ out of the 30 nations in the Organization for Economic Cooperation and Development in this category (OECD, 2004).

The Global South

By 1993, the inequality statistics for the world were already staggering: the richest 1 percent of the world received an income equivalent to the poorest 57 percent, some 3 billion people (United Nations Development Programme, 2001). In 1980 the income of the richest 10 percent of the world was 71 times of the poorest 10 percent, but by 1999, this had risen to 122 times. These numbers are not merely due to the fact that the West is outpacing poorer nations. A comparison of the growth rate of real GDP from 1960-1980 with the growth from 1981-2000 found that for the poorest nations of the world that occupy the bottom quintile in per capita income, economic growth was *negative* for the latter period (Weisbrot, Baker, Kraev, & Chen, 2001). By the late 1990s, even the regions of the developing world that were doing better than others – such as Latin America and the Caribbean – still had per capita incomes at levels that were only a third to a half that of the OECD nations. In the case of Latin America, these levels actually marked a steady decline from the height of its economic prosperity during the 1950s (Sutcliffe, 2004). Sub-Saharan Africa, which at one point during the 1960s had a per capita income that was equal to about one-ninth of OECD nations, saw this fall to one-eighteenth in 1998, while South Asia remained level at about one-tenth the income of the average OECD nation (United Nations Development Programme, 2001). Countries in the global South also suffer from greater domestic socioeconomic inequality than in the North, largely a consequence of the consolidation of a minority of economic elites that have adopted the neoliberal discourse and effectively operate as proxies of Western interests. Accordingly, the *gini* coefficient which measures inequality from a score of 0 to 100 reveals that Latin American, Carribean, and African countries have some of the highest levels of socioeconomic inequality, at levels that are often much greater than the United States and Canada – the two nations that lead the OECD in income

disparities (United Nations Development Programme, 2001).

The economic crises of the 1980s led developing nations to borrow funds in increasing quantities, the end result being that their total debt ballooned from $540 billion in 1980 to $2.6 trillion by 2004 (Comité pour l'Annulation de la Dette du Tiers Monde, 2005). Many new loans in the developing world today are simply utilized to service interest payments on existing loans leading to a never-ending downwards spiral of debt that has often seen the IFIs and Western nations receiving more money than they pump out (Ellwood, 2005). Not surprisingly, interest and debt payments in many of these countries consume the lion's share of government revenues which has an obvious impact on social service spending and diverts much needed resources from tackling critical issues such as water and sanitation, healthcare, education, and so on. Such diversions in public spending are impacting developing countries at the most basic level of human life itself, leading to millions of preventable deaths from hunger, malnutrition, disease, and inadequate access to water and sanitation every year, all of which would cost the West relatively little to prevent through increased financial aid. Ramonet (1998) has found that satisfying the sanitation and nutritional requirements of the developing world would actually cost less than the total expenditure on perfume by consumers in Europe and the United States. However, rather than cancelling the debts of developing countries or offering genuine measures to at least relieve some of their financial burden, the global North continues to demand exorbitant payments from the South. As Ellwood (2005) states,

> ...we are left with a bizarre and degrading spectacle. In Africa, external debt has ballooned by 400 percent since the [World] Bank and the IMF began managing national economies through structural adjustment. Today in Ethiopia a hundred thousand children die annually from easily preventable diseases, while debt repayments are four times more than public spending on healthcare. In Tanzania, where 40 per cent of people die before the age of 35, debt payments are 6 times

greater than spending on healthcare (p. 51).

Yet, while studies that have shown that debt repayment has considerably slowed progress in areas such as life expectancy, child and infant mortality, and education for developing countries (see United Nations Development Programme, 2005; Weisbrot et al., 2001), the World Bank and other IFIs continue to claim that we are on the verge of a breakthrough in fighting global poverty. Again, the statistics that such assertions are based on are largely cumulative in nature and hide the fact that the claimed decrease in global poverty rates primarily reflects the immense economic successes in East Asia, particularly China, over the past decade. In areas such as sub-Saharan Africa and Eastern and Central Europe, the number of people living on less than $2 a day – the global poverty line as defined by the World Bank – has actually increased dramatically since 1990, while in other regions such as Latin America, has remained stagnant (United Nations Development Programme, 2005). This point is important to remember, because one can always argue, as many neoliberals do, that as long as *absolute* poverty is attenuated, the system is working. This argument essentially implies that even if *relative* poverty is increasing, the poorest members of society are still better off today than they were yesterday, with absolute poverty being eradicated through the effects of aggregate economic growth. But in reality, absolute poverty has increased for a large proportion of the world's population even as economic growth has continued along its upwards trend. Moreover, statistical analysts have found notable flaws in the way that the World Bank draws up its definitions of poverty, leading to a systemic bias towards under-reporting the real extent of global poverty and severely undermining any claims that absolute poverty has declined steeply over the past few decades (Reddy & Pogge, 2005; Pogge & Reddy, 2006).

## The Verdict

In summary, what appears to be happening is that during the decades that have coincided with the ascendance of the neoliberal doctrine across the globe, poverty for a significant proportion of the world's population has gotten demonstrably worse, economic growth for the vast majority has slowed (or declined in some instances), and progress towards providing universal access to some of the most basic needs for all of humanity has begun to stagnate. The project of securing the most elementary and life-sustaining necessities for the global population is being systematically undermined by the drive towards profit and wealth. Under neoliberalism, inequality and oppression are no longer the inconvenient side effects of global capitalism, they have become its primary product.

Although we cannot conclude with complete certainty that neoliberal policies have been the sole cause of the mass misery and socioeconomic inequality of the present world, the available evidence is certainly convincing enough to surmise that they have played a significant role in condemning a significant proportion of the world's population to increasing levels of poverty and immiseration. For the past few decades, capitalism applied in its 'purest' form has constituted an unprecedented catastrophe. Friedman himself tacitly admitted this much when he commented on the growing class divide in the heart of neoliberal capitalism, the United States:

> The greatest problem facing our country is the breaking down into two classes, those who have and those who have not…If that widening rift continues, we're going to be in terrible trouble. The idea of having a class of people who never communicate with their neighbors–those very neighbors who assume the responsibility for providing their basic needs–is extremely unpleasant and discouraging…We really cannot remain a democratic, open society that is divided into two classes (1996).

Neoliberal policies have further contributed to a systematic campaign of economic

exploitation and aggression, often resorting to overt methods of coercion to pressure 'client' states in the global South into economic, political, and ideological submission. We need only to remember the countless number of nations that have experienced political coups in the recent past with direct support from nations of the global North – Guatemala, Nicaragua, Iran, Chile, Vietnam, Grenada, and more recently, Venezuela and Haiti – to list just a few. However, increasingly in the developing world, compliance and conformity are being successfully won through the encroachment of a culture of consumerism that has already reached a highly advanced form in the global North. Here, it has already proven its effectiveness in blunting resistance to the neoliberal model by normalizing neoliberal values of individualism, self-interest, and commodity obsession through mainstream media, pedagogy, and political discourses. Socioeconomic inequality has thus become an accepted feature of life under modern capitalism, aided by mechanisms of psychopolitical oppression that enforce submission to predetermined political boundaries and encourage the internalization of socioeconomic hierarchy, but ultimately rooted in the economic structure of society and the particular social relations that are dictated by it.

Our narrative has shown that, with few exceptions, the economic theories that underscore neoliberalism have been advanced to serve the interests of society's elite. Even critics have tended to accept the basis of the claims that arise from these theories as valid, with the majority of concerns directed specific outcomes that are seen as undesirable or arguing for alternative applications of capitalist theories to remedy or contain perceived flaws. For example, adherents of Keynesianism certainly saw problems with free market capitalism, but according to their perspective, capitalism could still be salvaged as long as the appropriate policies were applied. Keynes himself never truly questioned the Smithian assumption of individual economic self-

interest and our unceasing desire for consumption, nor did he attempt to reconsider whether pursuing ever-increasing economic growth is truly the most effective means to attain collective prosperity and social progress.

Indeed, apart from the Marxists, anarchists, and other radical political movements, critics of laissez-faire capitalism have generally come up short when asked to describe alternatives. Their tendency to critique the status quo without offering any real answers as to what an alternative economic system would look like unavoidably offers ammunition to those who would claim that the basic principles and values of capitalism hold true and serve as the universal starting point for any system of political economy. However, the statistics that have just been delineated point to a capitalism that, despite attempts to contain it, reliably transfers increasing amounts of wealth, and thus power, to the economic and political elite, resulting in an untenable level of inequity that is continually being reinforced from the top-down. It has also led to the development of institutions that use the underlying assumptions of capitalism to legitimize acts of economic oppression against the masses and, as we saw in Bolivia, to justify acts of violent repression when there is an attempt to resist the neoliberal order.

The implication of this intractable pattern of exploitation is that if we accept the validity of capitalism as the starting point for all models of political economy and view it merely as a system in need of fine-tuning, then we are essentially accepting that the economic order of society will always be one of socioeconomic inequality and oppression. Community psychologists and their allies would be condemned to forever improving the status quo, in search of a universal system of justice and well-being that can never truly be attained. But if we instead heed the Marxian critique and view the inequality and oppression that arises through capitalist modes of economic organization as specific to the social relations embedded within it, we are

inherently pointing to the real possibility that the assumptions of capitalism are both flawed and innately self-reinforcing. As a result, society might be re-arranged according to an alternative mode of economic organization that is conducive to the goals of liberation and egalitarianism. Again, in order to come to this conclusion we must first perceive capitalism as containing fundamental contradictions which might be partially contained through coercion, distraction, or oppression, but which can never truly be eradicated no matter what model of capitalism is applied:

> ...in the end the problem seems to lie not with modelling but with capitalism. It is not that particular models of capitalism fail to function in a satisfactory manner unless reset in some particular fashion, as both neo-liberal and centre-left theorists would have it. It seems rather that capitalism itself, in whatever form, is capable of functioning only with sporadic effectiveness and always at considerable social cost (Coates, 2000, p. 233).

As the current narrative has made clear, the contradictions of capitalism in their neoliberal guise are deeply rooted in the development of liberal economic theory and have been manifested in the devastating impacts of neoliberal economics on the world. In my opinion, given the available evidence, it should be clear to us that any vision we develop of a liberated society must stem from a discourse that recognizes the economic roots of modern inequality and oppression. It is only by fulfilling the criteria of structural validity that we will be able to construct a comprehensive critique of the status quo from a holistic and truly multidisciplinary perspective, allowing us to begin to contribute the urgent development of long-awaited alternatives to neoliberalism.

By examining the theoretical foundations of capitalism and identifying the historical roots of its current neoliberal applications in real economic policies, we have made a crucial first step

towards building a theoretical basis for a renewed transformative discourse. The next section will extend our critique of the political economy of the global status quo by exploring the underlying tenets and implications of the modern neoliberal discourse and its role under a system of hegemonic control. Still, as previously stated, any critique of the status quo understandably rings hollow if we cannot, at the very least, point to practical alternatives. We will, therefore, follow these discussions by exploring alternative models of economic organization that are structured around non-capitalist discourses and conclude by delineating the unique role that community psychologists can play in contributing to a multidisciplinary praxis of liberation through transformative change.

## V. THE DISCOURSE AND HEGEMONY OF NEOLIBERALISM

> Within the discourse of neoliberalism that has taken hold of the public imagination, there is no way of talking about what is fundamental to civic life, critical citizenship, and a substantive democracy. Neoliberalism offers no critical vocabulary for speaking about political or social transformation as a democratic project. Nor is there a language for either the ideal of public commitment or the notion of a social agency capable of challenging the basic assumptions of corporate ideology as well as its social consequences (Giroux, 2004, p. xix).

The previous three chapters will have hopefully accomplished some core objectives. First, in the example of the Bolivian Water War, the reader will have been introduced to an instance of oppression that CP would find difficult to analyze from a macro-level perspective, given the lack of economic considerations within our theoretical language. Second, in pursuing some measure of structural validity for our understanding of the status quo, the subsequent narrative of neoliberalism will have revealed that such instances of oppression are linked directly to a doctrine that has deep roots in mainstream Western economic theory. Third, the preceding chapter will have shown that with the emergence of the neoliberal doctrine, there have been

many 'Bolivias' in both the global South and North, resulting in a pandemic of increasing socioeconomic inequality across the globe. I concluded with the assertion that, rather than securing a universal increase in living standards, the implementation of neoliberal economic policies has deeply entrenched systemic oppression for the vast majority of the world's population.

The picture presented of neoliberalism is overwhelming – how can we possibly begin to think about resistance and liberation at a collective level of social ecology? I believe that such examples as the Bolivian Water War offer us a significant source of hope. Within the sweeping realities of global economic restructuring, what made the Cochabamban example a source of inspiration was a grassroots campaign of resistance that was successful in fundamentally challenging the power structure of neoliberalism. Here, my use of the term 'successful' denotes a transformative outcome that accomplished more than simply defeating the political and legal institutions which carried out the dictates of neoliberal economic policies. The Cochabamban resistance also symbolized a collective struggle against the *discourse* of neoliberalism and culminated with a project to supplant it with an alternative values and beliefs after the street battles had been won. It is this kind of resistance that community psychologists and their allies need to pursue if our goal is to liberate communities from systemic oppression.

However, before we can examine similar examples of transformative resistance to the neoliberal discourse and describe how such subaltern movements can prefigure a liberated society, we need to understand why resistance to the neoliberal status quo must be fought at the level of its discourse. The current chapter will attempt to go beyond an understanding of neoliberalism as a mere doctrine of political economy in order to prepare us for strategies to combat the oppression it engenders at a truly collective domain. My argument is that the

economics of neoliberalism has served as the basis of a status quo predicated on those institutions of civic society that reinforce the oppressive and exploitative relations of capitalist production. What has arisen from these social formations is a discourse, which springs from, and simultaneously reinforces, values and beliefs that conform to the neoliberal ethic. With the flourishing of neoliberal policy-making around the world, this discourse has taken on a transnational character that has far-reaching implications for how transformative change can be achieved. I will suggest that in order to detach our theoretical understanding of oppression and liberation from the hegemony of the neoliberal doctrine and its discourse, community psychologists need to contribute to subaltern discourses of resistance along the Cochabamban model, discourses that target the economic structure of society and attempt to create new, autonomous spaces of community activity. It is only then that the sub-discipline of CP can advocate for a transformative praxis of liberation in any meaningful manner.

## Deconstructing the Neoliberal Discourse

In the previous chapter we saw that the application of neoliberal economic policies around the world has resulted in disaster, leading to increasing levels of income inequality both within, and across, countries. This rising disparity has been accompanied by an ever-increasing centralization of capital into fewer hands, a sharp rise in global poverty, and the slowing of social mobility between classes. The outcome is indisputable: under free market capitalism, inequality has begun to spiral out of control, creating a massive gap that becomes more and more difficult to bridge with every coming year. Yet, while free market advocates might feign concern over the rising levels of poverty and inequality, a review of the most basic pronouncements of the neoliberal discourse reveals that socioeconomic inequality does not pose a direct contradiction to

the neoliberal goals of maximizing economic growth and efficiency. Neoliberals have never truly held the pretense that the attainment of market equilibrium necessarily results in a society of equal economic privilege. Rather, their values rest comfortably on the neoclassical assumption that, by their nature, market forces will always move towards a state of optimal economic efficiency where utility-maximizing, rationally-acting agents (whether firms or individuals) are rewarded according to their *marginal contributions of value* to the marketplace. In other words, those who are rich are justifiably better off because they have managed to add more wealth to the economic pot than others. As Friedman stated in his discussion on equality and freedom (emphasis added throughout),

> The heart of the liberal philosophy is a belief in the dignity of the individual, in his freedom to make the most of his *capacities and opportunities* according to his own rights, subject only to the proviso that he not interfere with the freedom of other individuals to do the same. *This implies a belief in the equality of men in one sense; in their inequality in another*. Each man has an equal right to freedom. This is an important and fundamental right precisely because men are different, because one man will want to do different things with his freedom than another, and in the process *can contribute more than another to the general culture of the society in which many men live* (1962, p. 195).

It is important to remind the reader that Friedman's emphasis on individual capacities and opportunities is highly reminiscent of statements made regarding unequal distributions of power by Prilleltensky (2005). We will return to this discussion later, but for now, let us extrapolate the implications of Friedman's assertions. Neoliberals have employed this interpretation of freedom to maintain that those who accrue wealth by amassing a greater amount of capital have rightfully earned it since they have chosen to use their freedom in the pursuit of wealth and have maximized their capacities and opportunities to do so. The fact that these individuals or corporations are financially better off than others in the marketplace is merely the natural

outcome of the free and unbiased operation of market forces. On the other hand, those who have little or no economic advantage, that is to say, those who are unemployed or receive little remuneration for their work, must be unable to contribute any significant economic value or skills to the market through their lack of will or ability, and market forces have determined their appropriate position in the economic and social hierarchy. To the neoliberal, the distribution of power and resources at equilibrium might certainly be unequal, however, the mechanism through which this distribution operates – the free market – is seen as fair and just.

However, if we take a closer examination at Friedman's claim that our freedom of choice allows some to contribute more than others, it becomes clear that the 'general culture of society' that we are ostensibly contributing to is, in fact, the marketplace. And within a society that is organized around the market, our ability to contribute to it *determines* the extent of our freedom. Moreover, it should be manifestly clear that markets do not provide equal opportunities for contribution as a starting point nor do they judge each person's abilities or interests equally. Instead, those who the market deems 'strong' – that is, those who contribute more value according to the tenets of neoliberalism, whether through ability, inheritance, socially destructive behaviour, or sheer luck – are guaranteed a bigger share of income and wealth. To the neoliberal, the resultant tendency towards socioeconomic inequality is not an unfortunate byproduct or externality of the free market but, rather, a sign that the market is fulfilling its primary task of maximizing efficiency by separating the economically strong from the weak:

> Regarding income distribution, neoliberal policy has consistently sought to promote the cause of labour market deregulation. This has taken the form of allowing the real value of the minimum wage to fall, undermining unions, and generally creating a labour market climate of employment insecurity. In this, neoliberal policy has been true to its theory, which maintains that employment protections and wage rigidities are not needed. The result has been widening wage

> and income inequality... For neoliberals, this is because the market is now paying people what they are worth (Palley, 2005, p. 23).

In my view, a discourse that propounds such a differentiated valuation of human beings is the ideological equivalent of social Darwinism applied to a market system where people are left to fend for themselves under the principle of 'survival of the fittest'. Under neoliberalism, the market serves as a universal and binding mechanism that enforces the economic equivalent of natural selection, legitimizing the final outcome as one that is both just and beyond our collective responsibility. Yet, it is here that a critical contradiction arises. A market that, in practice, operates akin to the mechanisms of natural selection cannot presuppose the existence of any *a priori* freedom. We can either adapt to our environment and survive or, failing that, perish. Therefore, while Friedman grants us the freedom to dedicate our lives to activities that do not contribute to the marketplace in any meaningful way, the logical implication of such an alternative in a society subject to the dictates of the free market is the condemnation of oneself to a life of complete immiseration. For someone who is disinclined towards engaging in activities that generate wealth and profit, whether for themselves or for someone else, the 'free' choice that capitalism offers is reduced to a basic question of survival: adapt one's life to the free market and survive, or, reject the market and perish. It would appear that Friedman's freedom to choose is not so free after all.

## Norming Neoliberal Values and Beliefs

The strategy of the neoliberal discourse is clear: by narrowly defining our freedoms within the limits of free market capitalism and foreclosing the possibility of alternative systems of political economy, the neoliberal discourse is able to render as natural those norms which are

necessary to maintain maximum economic growth – consumerism, cheap labour, corporate elitism, political apathy, and so on. For example, the manufacturing of artificial desires and distractions through the ubiquitous commodity and advertising industries has become globally entrenched under neoliberalism as the phenomenon of consumerism spreads to emerging economies around the world (Debord, 1992; Klein, 2000; Lasn, 1999). Meanwhile, the continuing centralization of capital into the hands of an ever-diminishing number of corporate employers binds the majority of workers to subordinate positions in the socioeconomic hierarchy, with little or no bargaining power (McMurtry, 1999; Wachtel, 1983). This continuing concentration of capital has allowed corporate elites to strengthen their already considerable political leverage, leading to a conflation of politics and business that predictably tailors domestic and international policies to suit the interests of the economic elite rather than the electorate (Chomsky, 1996; Giroux, 2004). Notions of civic responsibility and participation, which fall outside the domain of market interests, are further subverted by a political culture that disseminates the neoliberal belief that electoral participation is all that is needed for democracy to flourish (Day, 2005; Giroux, 2004; Marcuse, 1968). It should be clear that rather than emphasizing the collective attainment of prosperity and economic well-being, the neoliberal economy derives its power from, and promotes through its discourse, a culture of selfish and socially-isolated individualism that serves only to legitimize the hierarchical economic structure of the so-called free market. And this justification of inequality is, at its core, driven by the aim of continuous profit creation through unbridled economic growth, irrespective of the social and environmental costs involved.

Unfortunately, not only does CP's current theoretical language avoid recognizing the importance of a neoliberal economic structure that normalizes inequality and oppression, there

are troubling signs that the neoliberal discourse has, in fact, informed some of our understanding of macro-level issues. Earlier, I made mention of the fact that Prilleltensky's (2005) attribution of oppression to variations in our abilities and capacities essentially utilized the same language of individualism as Milton Friedman. This articulation of knowledge that corresponds to the neoliberal discourse is not without precedence. Consider the following:

> The collapse of the Iron Curtain, the rising democratic impulse, as manifested in demands for greater human rights in China, legitimate governance in Africa, and multiparty elections in Central and South America, all represent celebrations of liberation. The simultaneous opening up of the marketplace in countries as diverse as Egypt, India, and Zambia, not to mention Eastern Europe and China, represents an additional celebration against previously closed economic systems (Prilleltensky & Gonick, 1996, p. 128).

Such claims are made without any historical or factual grounding. In fact, the available evidence suggests strongly that the 'opening up of the marketplace' under neoliberalism has held an inverse relationship to liberation, exacerbating and, in many instances, causing conditions of poverty around the world. As we saw earlier, the restructuring of Central and South American economies towards 'open' markets were accomplished through a mixture of authoritarian rule and economic coercion, leaving a legacy of systemic exploitation and poverty that continues until this day. In Eastern Europe, the collapse of the Iron Curtain and the arrival of free market capitalism were accompanied by a dramatic rise in the levels of absolute poverty, with millions more now living on less than $2 a day. China is another matter altogether, where the lure of a commodity-saturated economy has proven to be so successful in creating the illusion of economic success that domestic concerns of human rights and democratic participation are increasingly falling victim to a rising tide of nationalist sentiment. The authors acknowledge that despite these celebrations, the 'international finance system...locks emerging societies in a state

of increased economic dependency' (p. 128). However, this increasingly popular trend of paying tribute to the growing debt problem of the global South routinely fails to address its underlying cause: it is a phenomenon *rooted* in the rationale of 'opening' economies to exploitation and dependency through forced neoliberal restructuring. We are left with the highly confusing condemnation of IMF and World Bank policies by those who believe that the free market, and by extension, neoliberal-driven economic growth, are a symbol of liberation.

The more important point, however, is that by affirming the basic notion that liberal democracy (i.e., multiparty elections) and the capitalist marketplace fulfill the requirements of liberation, the claims of Prilleltensky and Gonick offer an indication of how saturated our knowledge can become with the values and beliefs of neoliberalism, even among those who advocate against oppression and exploitation. When this saturation has reached a critical point in society, the neoliberal discourse is no longer identified with any particular doctrine or ideology, nor is the economic structure that it promotes considered to take on a unique form that can be fundamentally altered. Instead, for the vast majority, these attributes of the status quo become 'common sense' – unchallenged and universally accepted features of society. It is at this junction that the neoliberal discourse ceases to be a mere doctrine fighting other ideologies for supremacy, but instead serves as the ubiquitous social consciousness of a *hegemonic* system of control.

## Neoliberalism through Consent: Hegemony

Antonio Gramsci's (1971) notion of hegemony as a form of leadership acquired through *consent* offers a strategic analytical tool for understanding how the status quo maintains its authority and withstands attempts at transformative change. For community psychologists, this

concept is particularly effective as it satisfies the requirements of psychopolitical *and* structural validity by providing a holistic, macro-level perspective of how oppression is deeply integrated into the structure and superstructure of modern societies. Moreover, framing the neoliberal discourse as a function of hegemony provides a clear reference point for gauging the transformative scope of CP's theories and praxis. The core implication is that activities against the status quo that operate from within the hegemony of the neoliberal discourse are, at best, limited to outcomes of amelioration and reform, because they tend to target only the visible superstructure of society. As a result, interventions designed to liberate us from systemic experiences of oppression by identifying and manipulating available levers of political power will fail in the long run, having been undermined by a vision of liberation that is, knowingly or not, bounded by the limits of the neoliberal ethic. My argument is that the only way to counteract the hegemony of neoliberalism (or any other hegemonic status quo) is to contribute to the building of radical, subaltern movements of resistance that are capable of envisioning a non-hegemonic economic structure which moves us beyond free market capitalism. However, before we can address this issue of resistance, it is important to grasp how the Gramscian notion of hegemony can inform our critical analysis of the status quo.

In order to understand the foundation of Gramsci's understanding of hegemony, it is necessary to keep in mind Marx's contention that the system of capitalism is invariably accompanied by growing antipathy between the owners of capital and wage labourers. Within this context of class struggle, Marxists of the early 20$^{th}$ century began to use hegemony to describe the revolutionary leadership of the industrial working class over allied classes, such as the peasantry. Drawing from the writings of Lenin, this school of thought conceived of the post-revolutionary phase as a time when the working class would impose a dictatorship over its

enemies and exercise hegemonic direction over its allies (Cox, 1983). Gramsci, however, started to uniquely extend the notion of hegemony to the dominant bourgeoisie of Western Europe. What was of particular interest to him was the way in which the bourgeois classes offered strategic compromises to subordinate classes in exchange for their consent and support of the status quo. As Cox (1983), notes, when this bulwark of hegemony had penetrated deep enough into civic society, the bourgeois class could remain in the political background, directing society through proxy leaders:

> Because their hegemony was firmly entrenched in civil society, the bourgeoisie often did not need to run the state themselves. Landed aristocrats in England, Junkers in Prussia, or a renegade pretender to the mantle of Napolean I in France, could do it for them so long as these rulers recognized the hegemonic structures of civil society as the basic limits of their political action (p. 163).

Those nations where civil society had effectively merged with the state under a unity of hegemonic control tended to occupy the global North, where, through advanced capitalism, the institutions and structures of civil society were the most developed and had had the longest period of time to conform to bourgeois social formations. However, as industrial capitalism has spread across the globe, hegemony has become an increasingly standard form of control. This point is critical to consider in our analysis of the modern status quo; the neoliberal hegemony entails the state and advanced institutions of civil society – i.e., the media, academia, industry, etc. – acting in unison to disseminate a discourse that normalizes the behaviour, values, and beliefs of the dominant class. And in occasionally acquiescing to what Day (2006) refers to as the *politics of demand* by offering state concessions to subordinate classes or identities, the dominant class is, for the most part, able to neutralize potential threats to its control through consent rather than coercion. In this dialectical manner, the hegemonic discourse maintains, and

is itself derived from, a superstructure which deflects attention away from a core economic structure that is organized to the express benefit of an elite minority. However, occasionally, radical elements within the social order will refuse to submit to the consensus of the status quo requiring the application of coercion, whether through overt violence or more subtle initiatives. It is at these isolated moments in time that the hidden mechanisms of hegemonic control unveil themselves to those who resist its discourse and institutions.

The evidence presented thus far will have provided a compelling argument for classifying neoliberalism as a hegemonic system of control. In fact, considering the current extent to which values and behaviours conducive to securing wealth for the financial elite have been normalized around the world, it would be no exaggeration to claim that neoliberalism represents a modern pinnacle of hegemony. For community psychologists, the absence of neoliberalism as a topic of discussion, despite our occasional displays of like-mindedness with its discourse, should suggest to us that the neoliberal hegemony has had considerable success in fading into the socio-political background of our consciousness, particularly here, in the context of the global North. Indeed, what might render the Bolivian Water War a jarring account of oppression for some community psychologists is the apparently sudden emergence of a level of violent repression that we are unaccustomed to seeing in the open. Thus, the significance of the Bolivian example is, in part, due to its embodiment of those rare instances in which the neoliberal hegemony reveals its presence, letting loose the forces of coercion that usually lie dormant beneath a façade of economic and political freedoms.

## Implications of Hegemony for Resistance

Beyond simply providing evidence for the existence of a neoliberal hegemony, the Bolivian

Water War pushes us towards the critical question of transformative resistance; specifically, is it possible to liberate ourselves from the underlying economic structure of the dominant hegemony? Gramsci, too, was interested in this problem and hypothesized that in societies where capitalism was the most entrenched, attempts to transform the structure of hegemony by leveraging the power of the state, whether through indirect political influence or the outright takeover of state control, would prove ineffective. The explanation Gramsci offered was that unless civil society, and by extension, the economic structure, was affected, the social formations of the dominant bourgeois class would through the hegemonic discourse continue to reassert themselves. What is needed, he argued, is a protracted 'war of position' that would patiently establish pockets of counter-hegemony through alternative institutions and discourses while avoiding co-optation and division by the hegemonic civil society.

We can draw clear parallels between this hypothesis and what I have argued is needed to overcome CP's continuing adherence to ameliorative strategies of change, particularly as it is articulated by such concepts as psychopolitical validity. The psychopolitical project of identifying and targeting the psychological and political sources of oppression fails to adequately push our strategies of liberation beyond the narrow limits imposed by the neoliberal hegemony. As Van der Pijl (1998) argued,

> ...the concrete history of our present world and the development of its ruling classes to global unification under a neo-liberal concept, teach us that such a community [i.e. a classless society, a planetary community of fate] cannot come about in a single act. Only through the cumulative momentum of a series of particular, largely contingent episodes, can we hope that the forces capable of imposing limits on the capitalist exploitation of people and nature can prevail, and the suicidal drive of neoliberalism be reversed (p. 165).

In order to move towards a holistic, macro-level conception of transformative change, our

theories and practices need to be grounded by an awareness of existing wars of position that aim to replace the hegemonic free market model with an alternative economic structure based on novel institutions and values, as exemplified in Cochabamba. And while conscious of the mechanisms of political and psychological coercion that are at the disposal of the status quo, community psychologists need to be even more watchful of the immense effect that the hegemonic discourse has in totalizing our values and beliefs according to the neoliberal-friendly ethic of amelioration. As Cox (1983) points out, fighting a war of position against the dominant hegemony entails a tough balancing act:

> It means actively building a counter-hegemony within an established hegemony while resisting the pressures and temptations to relapse into pursuit of incremental gains for subaltern groups ... This is the line between war of position as a long-range revolutionary strategy and social democracy as a policy of making gains within the established order (p. 165).

To serve as effective advocates for liberation, community psychologists need to construct a long-term outlook on how our activities can contribute to the creation of counter-hegemonic spaces and institutions within civil society, which prefigure a liberated society. At the same time, we must be careful to avoid the pitfalls of co-optation that result from limiting ourselves to advocating on behalf of marginalized and oppressed groups through the politics of demand, action that offers implicit support to the status quo by working within the confines of hegemonic institutions of control. With respect to this latter point, Gramsci offers us a dire warning regarding the role of intellectuals under hegemony, one that taps directly into the basis of what I argued in Chapter One is the need for continuous reflexivity among community psychologists. Gramsci saw intellectuals serving a significant function under hegemony in reproducing the discourse of the dominant class, normalizing its values and beliefs, and binding subordinate

classes to the hegemonic order. Yet, he crucially also believed that intellectuals held the potential to play a leading role in fighting those wars of position that would eventually transform society, by contributing to the establishment of counter-hegemonic institutions and discourses.

In Chapter One, I discussed my view that CP has, thus far, shown little concrete evidence that it is ready to fundamentally challenge the neoliberal status quo, but in direct contrast, has effectively continued mainstream psychology's liberal tradition of offering tacit support to the established social order. Practically speaking, I believe that our action and research have failed to move beyond what Cox (1983) calls the 'pursuit of incremental gains for subaltern groups' (p. 165) due to a prevailing tendency to isolate our work within the comfortable paradigm of 'small wins' (Weick, 1984), which is directed at individuals and their immediate contexts (Walsh-Bowers, 2002). Within the broader framework of Gramsci's theories, the implication of being mired in this kind of ameliorative discourse and practice is severe. Community psychologists would belong to the former category of intellectuals whose role it is to sustain the hegemonic status quo by continually adjusting individuals and their communities to a neoliberal civil society that has little interest in their well-being or liberation. Unfortunately, I do not think that such an assertion should be dismissed offhand, given our historical background and the current state of our theoretical language. I will refrain from repeating my arguments from Chapter One here, however, I think that it is important to reassert the notion of attaining greater reflexivity and structural validity among community psychologists in Gramscian terms, that is to say, as the making of a conscious choice to transform our current role into that of a truly critical intellectual, collaborating with allies to build counter-hegemonic discourses, spaces and institutions for a liberated future.

While I clearly cannot make this choice on the behalf of CP, what I can do is provide us

with an idea of what a liberated future might look like. In the next, and final, chapter, we will be taking a look at a model for a post-neoliberal system of political economy called participatory economics (parecon), which is designed to avoid the pitfalls of hegemonic control, both of the capitalist and socialist variety. In order to provide evidence that the idea of parecon is not merely some hopeless pipe dream, I will be examining a selection of current subaltern movements and organizations that have managed to create counter-hegemonic spaces within the dominant neoliberal hegemony, and whose discourse and action prefigure the forms of liberation that parecon attempts to establish theoretically. I will conclude by outlining how community psychologists might move towards such kinds of transformative action.

## VI. TOWARDS COUNTER-HEGEMONIC RESISTANCE

In moving our discussion towards the important issue of how emerging discourses and spaces of counter-hegemony can be established by community psychologists, I think it is necessary to begin by critically examining the values of CP. I stand in agreement with those community psychologists who believe that possessing clearly stated values is a necessary precursor to engaging in community-based research and practice, particularly the kind that serves to promote collective well-being (e.g., Nelson, Prilleltensky, & MacGillivary, 2001; Prilleltensky, 1997; 2001). Within the current context, I think that we can extend the importance and relevance of our values to the broader project of creating a counter-hegemony against the status quo, by offering alternative values to those that prevail under the discourse and civil society of the neoliberal hegemony. In this sense, values can offer us with a crucial sense of direction for our vision of a liberated society, one that is organized – both politically and socially – around an economy which eliminates the structural tendencies towards exploitation and

oppression.

Where my views diverge significantly from some of the advocates for a value-based praxis is on the issue of whether CP's values are sufficiently informed by a critical and reflexive basis of knowledge to constitute effective guidelines for a praxis of liberation. Certainly, as Nelson et al. (2001) state, "values are guidelines for thinking and acting in ways that benefit others" and are necessary to "formulate an initial moral framework to guide our actions" (p. 652). However, what appears to be missing from this understanding is a critical recognition of the fact that values are themselves the product of a larger social consciousness, which is itself informed by material and ideological experiences based on class, gender, race, occupation, and so on. As a result, we cannot rely upon our stated values to be honest brokers between our morals and our actions. It would be far too easy for professionals such as community psychologists, who rely on community access in their work, to assemble an assortment of values that enhances our legitimacy as advocates for the oppressed without having to actually confront the material conditions of inequality that characterizes the status quo. In my view, this is precisely the danger that currently faces CP, with the rise of a politicized rhetoric that possesses neither a critical economic analysis of oppression, nor any genuine attempt to implicate ourselves within the hegemonic power structure of neoliberalism.

I am reminded of the pertinence of what Smail (2001) called 'Rappaport's leap,' in reference to Rappaport's (2000) assertion that CP needs a new language that would allow community psychologists to relinquish the inherent biases within our present discourse:

> We have been pushed to the precipice; why not take the leap? How can we encourage ourselves to leap off the dead end, and see if we can swim in the waters of social responsibility and social justice, along with the people we say we care about? My contention is that this requires more pointedly articulated theory and a

> carefully chosen language of discourse that will challenge the way much of psychology frames the issues. Clearly stated values and goals are necessary, but not sufficient. In our socially constructed field, strategies and tactics for social intervention follow from theoretical argument and its underlying language, particularly the metaphors that become accepted ways of speaking about what we are doing, which in turn guide what we actually do (Rappaport, 2000, p. 109).

Rappaport's arguments echo my own views regarding the fundamental choice that lies before community psychologists; we are, indeed, standing on the edge of a precipice that has profound implications for the future of CP. On the one hand, community psychologists can continue to dabble in the language of politics and social justice, declaring our values and our intentions to liberate the oppressed, but with our feet firmly planted in the familiar surroundings of academia and the applied social sciences. On the other hand, we can make a conscientious leap to radically redefine what it means to struggle against the status quo by taking an honest look at the limitations of our theories and interventions under the hegemony of neoliberalism, and by opening the door to structural validity through a recognition of the economics of oppression and liberation.

From my personal observations, there are some promising signs within CP's current literature of steps being taken in this direction (e.g., Bond, 1999; Montenegro, 2002; Walsh-Bowers, 2002). The current chapter will attempt to provide some broader directions for engaging with counter-hegemonic values, theories, and action. I will be outlining the values that I consider to be essential to the creation of a counter-hegemony, as well as discussing an economic model that fulfills some these values and its manifestation within current movements of resistance. I will conclude by issuing a set of programmatic recommendations that I believe must be implemented before CP can contribute effectively to the growing global movement of resistance against the neoliberal status quo.

The Values of a Counter-Hegemony

Many of CP's stated values are directly counterposed to the prevailing rationale of market-based competition and its hierarchical division of labour and decision-making. This conflict is implicitly recognized in CP's concern over the increasing lack of control over one's life outcomes, for example, in our advocacy for empowerment, self-determination, and self-efficacy (e.g., Prilleltensky & Nelson, 1997; Rappaport, 1981; Zimmerman & Rappaport, 1988). However, our discourse is limited by narrow conceptions of imparting change through the building of more equitable relationships and partnerships based on mutual respect and power-sharing (Nelson et al., 2001). To include structural validity, our values cannot simply target the distribution of power and resources within the limited context of our current research and practice, but instead need to be linked to the broader establishment of counter-hegemonic spaces where inequality and oppression are no longer reinforced by the dictates of our political economy. The Bolivian example is, in this respect, crucially important to discussions of resistance, because it offers a critical reminder of the fact that movements of counter-hegemonic resistance must aim to replace the neoliberal rationale of free market capitalism with institutions that are based on radically different economic, political, and social values. From this perspective, the creation of counter-hegemonic spaces in Cochabamba was certainly prefigured by the participatory, power-sharing arrangement of the citizens' assemblies that characterized the decision-making process of the resistance movement. But these spaces were only realized when Cochabamba's water management was placed under community control and linked to other water cooperatives in the region, subverting the value-basis of neoliberalism and revealing a potential path to not just political, but economic liberation.

In order to contribute to a movement of counter-hegemony that taps into the economics of

oppression and liberation, community psychologists should be advocating for values that express an unequivocal stance against the oppressive tenets of the global political economy, and that progress beyond (neo)liberal understandings of justice to a more radical concept of liberation. In my opinion, CP's current values of compassion, community, diversity, social justice, etc., are often defined in a manner that poses few risks or conflicts to the dominant structure and discourse of the neoliberal status quo. A more critical value-basis for counter-hegemony would instead offer an unambiguous indication of our intention to struggle against the structural oppression that is manifested in conditions of chronic poverty, disempowering wage labour, and systemic economic exploitation. I am therefore positing a new set of additional values for community psychologists that addresses the political economy of the status quo and, in my opinion, has the potential to effectively guide the establishment of counter-hegemonic spaces and institutions within our communities. These values are: (a) self-management, (b) community ownership, (c) economic equity, (d) groundless solidarity, and (e) affinity.

The values of *self-management* and *community ownership* are derived from examples such as Cochabamba (and others which will be discussed later), where communities have encountered success in reconstituting institutions that were previously privately or state-run into decentralized, community controlled, and cooperatively managed enterprises. These values stem from a critical and economically-focused perspective on self-determination and empowerment that highlights the hierarchical and disempowering relations that are inherent in traditional forms of wage labour and employment under capitalism. Neither self-management nor community ownership need to be enshrined by any formal or legal statute, but can be extended to serve as practical guidelines to reorganize existing spaces and institutions along counter-hegemonic lines. Thus, I am not advocating that all managers be fired or that businesses be violently expropriated

by the community. What I am arguing for is that a) individuals should be entrusted to perform their duties under the auspices of their own expertise and competencies in an environment that is decentralized and free from coercion, and b) that organizations view themselves as an indivisible part of the collectively-owned resources of their community with reciprocal obligations of economic accountability.

*Economic equity* serves as a primary value of resistance against systemic socioeconomic inequality and taps into the requisite fairness in remuneration and the distribution of wealth that is essential to any liberated society. This value stems from a recognition that the neoliberal free market economy is inherently incapable of allocating economic resources according to need nor can it reward individuals based on the social value of their labour contributions. It is further rooted in an understanding that those nations which are healthier and have greater collective well-being than others, including lower rates of crime, disease, homelessness, depression, etc., are not necessarily the wealthiest, but consistently show higher levels of income equity (Fryer, 2008). We will take a more detailed look at the idea of economic equity when we examine the model of parecon.

The values of *groundless solidarity* and *affinity* have been borrowed from Richard Day (2006). Groundless solidarity is defined as "seeing one's own privilege and oppression in the context of other privileges and oppressions, as so interlinked that no particular form of inequality – be it class, race, gender, sexuality or ability – can be postulated as the central axis of struggle" (p. 18). This value reminds us of the importance of maintaining solidarity between diverse movements of struggle, linking them together in a common front of counter-hegemonic resistance against the status quo, and thus keeping the fragmentary pitfalls of the politics of demand at bay. In a practical sense, it does not imply that we need to pursue all forms of struggle

simultaneously, however, there should be an active awareness of the collective experiences of oppression that unite what often appear to be separate causes.

The value of affinity can be most succinctly described as a recognition that the establishment of a counter-hegemony should not strive to replace the current hegemonic order with a new form of hegemony. For example, while the Marxian and Gramscian critiques of capitalism have crucially allowed us to analyze the status quo from a structurally valid vantage point, they are, in fact, potentially harmful to the building of a counter-hegemonic movement that sees autonomous, community-based participation as the basis for a post-capitalist economy. Marxist philosophers have often stressed the need for resistance movements to establish an elite vanguard of revolutionaries that is led by a central party apparatus, with the ultimate goal of seizing hegemonic power through violent struggle against the state. The revolutionary state continues to assume a hegemonic character in this post-capitalist society, directing allies through consent and controlling enemy classes through coercion. As critics have pointed out, this 'dictatorship of the proletariat' merely revives the oppression that characterizes all hegemonic forms of control (Bakunin, 1990). Day (2006) argues convincingly that the most effective forms of resistance to hegemonic systems such as neoliberalism are characterized by practices and relations of affinity that are based on free association, groundless solidarity, and a rejection of apparatuses of division, domination, and capture within their political ideologies and economic organization. Movements of affinity are not driven by myopic adherence to an inflexible ideology that sees their guiding principles as objectively truer than other movements of struggle, and therefore, consciously avoid the domineering practices of hegemonic resistance and the ease with which the latter can be captured or pigeonholed by ideological labels such as 'Marxist,' 'anarchist,' 'post-modernist,' and so on.

Translated into theory and practice, I believe that these five values would be able to guide community psychologists and their allies towards a vision of the kind of economic structure that would engender the greatest degree of freedom from oppression and exploitation, and provide us with an idea of the kind of action that might move us towards such outcomes. In the next section, I will be examining parecon, a cogent example of a counter-hegemonic model of economics that explicitly derives its parameters from a set of core values.

## Envisioning Counter-Hegemony: Participatory Economics

Developed by Michael Albert and Robin Hahnel during the 1980s, parecon offers a counter-hegemonic alternative to the traditional choice between laissez-faire market capitalism and centrally-planned communism. It is, at its core, centred around a basic set of values that give rise to the primary features of the economy, which are themselves intended to shape the kinds of social relations that will subsequently develop. Thus, under parecon theory, there is an implicit recognition of a basic economic formula that determines how power will be distributed at the collective level of society: values -> economic parameters -> social relations -> power distribution. In his explanation of the fundamental features of parecon, Albert (2004) begins by attacking the widespread myth of the aforementioned dichotomy between centrally-planned and free market economies, revealing the way in which both systems inevitably undermine democratic participation and spiral towards growing socioeconomic inequality and class divisions. Unlike neoliberals such as Milton Friedman and Friedrich Hayek who assert that the fundamental choice in political economy is one of either freedom under capitalism or coercion under central planning, parecon recognizes that both systems of economy are intrinsically flawed through the gross inefficiencies that they create and the widespread disempowerment that

inevitably results. Parecon tries to remind us that there can exist viable alternatives which effectively address the failures of the market and central planning by transferring economic power and decision-making back to the community setting.

The basic economic values that proponents of parecon advocate for are equity, self-management, diversity, and solidarity (Albert, 2004; Spannos, 2006). Each of these values serves as a respective answer to the following four economic questions: Along what lines should people be rewarded for their activities? Who gets to make the decisions at work? How many possible paths to fulfillment and well-being should the economy offer? Will the economy encourage competition or cooperation? Translated into the three fundamental activities of every economy–production, allocation, and consumption–the values of parecon give rise to a vision of a post-capitalist economy that is based in social ownership, participatory planning allocation and self-management, balanced job complexes, and remuneration for effort and sacrifice. Such features of parecon stand in sharp contrast to the capitalist status quo that is based in private ownership, market allocation, corporate divisions of hierarchical labour, and remuneration for capital ownership and absolute economic output. Albert (2004) goes on to outline the specific aspects of a participatory economy in meticulous detail, having already laid out the complex economic arguments in support of parecon with Hahnel in *The Political Economy of Participatory Economics* (Albert & Hahnel, 1991).

Although some of the more technical details of parecon lie beyond the scope of the current discussion, we can summarize its essential features as follows. First, market and central planning institutions are rejected in favour of participatory planning under nested workers' and consumers' councils, whose relationship to one another is similar to the federalism proposed by such libertarian socialists as Bakunin (1990). Members of these councils will collectively state

their individual and group preferences and through learning about the preferences of others will engage in negotiation and consensus-building towards developing a viable, cooperative plan for production and consumption. This process does not assume that individuals have complete access to all relevant information, but recognizes the need to make the best decisions based on whatever information is available (which is, frankly, what occurs in the real world, even under market capitalism). Individuals may occasionally feel justifiably compelled to alter their own preferences during this process of participatory planning, which essentially means that they must ultimately feel some responsibility towards the collective well-being of the community and value solidarity. This sense of duty does not entail completely sacrificing one's own need for personal development and well-being, however, parecon certainly does not give room for the kind of possessive self-interest that characterizes much of economic behaviour within a market-based economy. Yet, ultimately, the worker will have complete freedom under a regime of self-management to determine how much time they spend on work versus leisure, with the understanding that the opportunity costs of foregoing work in favour of leisure is largely the same for them as for everyone else in the economy.

Such features of parecon arise because it stresses the remuneration of work based on effort and sacrifice, not individual ownership of economic inputs – which is eliminated through collective ownership – nor the level of economic output that each individual creates. Under parecon, the enormous disparity in wages that is observed under the neoliberal status quo would shrink to a much narrower spectrum, where activities are rewarded according to how long one works and the conditions that one is working under. Yet, the corporate division of labour that characterizes capitalism will also need to be eliminated such that no one person is condemned to toil in a job that is forever mentally and physically degrading. Through balanced job complexes,

workers would engage in a diverse selection of jobs, some that are disempowering, repetitive, and socially necessary, and others that fulfill personal needs for creativity and self-expression. Even the most adept surgeon or engineer would need to assist in cleaning duties, as there would be no way under parecon for an entire underclass of professional janitors or street cleaners to exist in order to clean up after everyone else. The notion of balanced job complexes emphasizes the fact that in order to maintain an equitable economy, all citizens must pitch in to perform the most basic tasks that are needed to ensure a collective standard of well-being. There would be no class of 'coordinators,' as Albert (2004) calls them, who are able to benefit disproportionately from the disempowering labour of the masses while simultaneously enjoying all the decision-making opportunities and abilities.

Parecon is an economic vision of the future that resonates strongly with the values of self-management, community ownership, economic equity, and affinity. It strikes the right balance between individual self-determination and collective responsibility, while avoiding the tendency for market and centrally planned institutions of allocation to create grossly unequal outcomes in well-being and socioeconomic status. Furthermore, it offers support to the notion that in order to fundamentally alter the values of the neoliberal status quo, community psychologists must focus our interventions on the community, while setting our sights on the creation of a critical mass of counter-hegemonic spaces and institutions. Spannos (2006) notes that in our agitation for political change, advocates of parecon must gear their action towards securing changes that consciously move society continually closer to the decentralized, community-based institutions of parecon. Any concessions that are secured from the state must therefore emphasize increased opportunities for self-management, greater community control over economic decision-making, and a fundamental reorientation in our social relations of work. In this manner, parecon

advocates maintain an active awareness of the transformative outcomes that they are ultimately trying to secure. Reform is ultimately insufficient; we need to relocate the hub of economic activity from the marketplace to the community, where new forms of equitable and participatory social relationships can thrive.

## Parecon at Work

There currently exist several theoretical models of counter-hegemonic political economy that are quite similar to parecon in many of their features, such as solidarity economics (Miller, 2004), communalism/libertarian municipalism (Bookchin, 2002; Eiglad, 2002; 2005), and inclusive democracy (Fotopoulos, 1997a; 1997b). Offering an overview of each and a comparison of their differences is unfortunately beyond the scope of the current paper, but the essential point to note is that they all share a common vision of a post-capitalist political economy that is centred around democratic and participatory community-based institutions. If we take into consideration the political structure of the Cochabamban resistance and the community takeover of SEMAPA that revived cooperative ownership and management in surrounding areas, it becomes possible to see some of the core features and values of these models being put into practice. Similar examples of participatory, affinity-based counter-hegemony have existed throughout history, in the anarchist collectives of revolutionary Spain (Dolgoff, 1974), the kibbutzim of Israel (Cohen, 1982), Freetown Christiania in Denmark, and workers' cooperatives around the world (Quarter & Melnyk, 1989; Wilkinson & Quarter, 1996). Some of the more recent examples that I would like to discuss briefly include the experiences of the Argentine *Piqueteros* in worker self-management (Goldner, 2006; Klein & Lewis, 2007), the Landless Worker's Movement (MST) of Brazil (Miller, 2004), and the Food not Bombs movement (Butler

& McHenry, 2000; Day, 2006).

The *Piqueteros* movement describes a loose organization of poor, unemployed, and homeless Argentinians that responded to the heightening economic crisis of the late 1990s with acts of civil disobedience, often characterized by road blocks, in order to protest and draw attention to their circumstances. The decentralized organizational structure of the *piqueteros* centred around shared communal spaces, including kitchens, libraries, health clinics, gardens, etc., which consisted of houses that were donated by members of the movement or vacant buildings which were occupied through squatting (Young, Guagnini, & Amato, 2002). It was largely based on the momentum of this movement that unemployed workers started to retake and open closed factories, many of which had been abandoned after the peak of the economic crisis in 2001, in order to recuperate their lost jobs. Rather than reverting to the capitalist model of hierarchical business enterprise, workers adhered to the values of the *piqueteros* movement by running their plants through collective ownership, self-management, and participatory democracy, without owners, bosses, or management professionals. The conscious breakdown in the division of labour between professional and manual tasks means that each worker is familiar with the entire production process and can variously engage in what Albert (2004) describes as balanced job complexes. And while workers' assemblies may occasionally consult outside professionals on specific issues, they are careful to maintain collective control over any decision-making (Trigona, 2006). Despite continuing repression from the authorities and constant threats of violent eviction, the vast majority of these worker-run enterprises have been a success, creating over 10,000 jobs through 180 recovered factories, and building a network of solidarity that has extended to other movements for social change (Goldner, 2006; Klein & Lewis, 2007).

The Argentine experiences have been described as 'MST for the cities' (Klein & Lewis,

2007), in reference to the rural Landless Workers' Movement of Brazil, or MST (*Movimento dos Trabalhadores Rurais Sem Terra*), which started to occupy unused land during the 1980s to secure agriculture for the landless. The MST derives its mandate from a rejection of the immense inequalities that characterize land ownership in Brazil, where the wealthiest 20% own close to 90% of all arable lands (Flynn, 2003; Quirk, 2007). The movement pursues a dual approach of land reform and structural change by negotiating concessions from the Brazilian state while pursuing a post-capitalist socio-economic model for sustainable and community-based agriculture. It has proven successful on both accounts, securing land titles for over 350,000 families in 2,300 settlements and creating communities that are organized around cooperative ownership and management of farms, schools, credit unions, and businesses (Quirk, 2007). MST-affiliated cooperatives earn an estimated $50 million annually through over 60 enterprises, and each cooperative contributes 2% of its earnings to facilitate local encampments or land occupations (Flynn, 2003). Despite its popular support among Brazilians, MST activists and rural workers face significant repression from both military police and hired assassins, with 969 documented murders linked to land occupations between the years of 1985 and 1996 (Langevin & Rosset, 1997). However, this threat of violence has had little effect on the momentum of the movement and the number of MST members has now ballooned to over 1.5 million people in 23 out of Brazil's 27 states (Friends of the MST, 2003). Links of solidarity have been further established with community organizations around world and the mobilization techniques and economic models of the MST have inspired similar movements throughout the region.

While the structural impacts of neoliberal economic policies have left significant cracks in the global South that can be appropriated to create counter-hegemonic spaces and institutions, a deeper entrenchment of the neoliberal doctrine and discourse in the global North has made it

more difficult to penetrate its hegemonic control over state and civil society. There are, however, a number of subaltern movements that operate on the periphery of our collective awareness and which typically escape the attention of the media and academia. The Food not Bombs movement constitutes a perfect example of counter-hegemonic resistance to the status quo in the North that maintains a radical political and economic agenda which is difficult to co-opt to reformism. The premise is simple: Food not Bombs recovers surplus food from grocery stores, restaurants, and food manufacturers and distributes it for free to housing projects, daycare centers, homeless shelters and battered women's shelters (Day, 2006; McHenry & Butler, 2005). In doing so, the movement is able to directly meet some of the most basic needs of the marginalized and oppressed through a mode of production and distribution that circumvents capitalism. The organizational structure of Food not Bombs is based around participatory democracy and the active involvement of community members in order to foster community autonomy and self-empowerment (Butler & McHenry, 2000; McHenry & Butler, 2005). Decisions are made through consensus, and the networks of community-based chapters across the world are decentralized, having no core body of administration. It is also an explicitly value-based movement that emphasizes community-resource sharing, non-violence, and solidarity across diverse struggles (Butler & McHenry, 2000). Food not Bombs recently celebrated its 25$^{th}$ anniversary, proving that the creation of resilient counter-hegemonic spaces and institutions is possible, even in the global North.

## Recommendations for CP in an Emerging Counter-Hegemony

While my assessment of CP's theories and discourse has focused primarily on its limitations and gaps, there are some important strands of knowledge and action that hold potential for

contributing to radical movements of counter-hegemony. For example, Bond's (1999) advocacy for a *culture of connection* and the *recognition of multiple "realities"* as being necessary to secure respect for diversity and open participation to non-dominant groups are essential attributes of any collective struggle that adheres to the values of groundless solidarity and affinity. Bond's prescription for continually challenging the homogenizing tendencies of organizational culture while maintaining our connections to those settings through *connected-disruption* can be partnered with Day's (2006) concept of *infinite responsibility*, where we are always prepared to be challenged by 'another Other,' and to actively listen to their critique of our ideologies, attitudes, and actions. Such qualities are necessary to prevent counter-hegemonic movements, spaces, and discourses from reasserting the conditions of hegemony that lead to systemic oppression and exclusion.

Moreover, CP's experience in partnering with community groups to improve or create alternative spaces to mainstream services (e.g., Suarez-Balcazar, Davis, Ferrari, Nyden, Olson, Alvaraz, et al., 2004; Nelson, Griffin, Ochocka, & Lord, 1998) and the recent suggestions to render our praxis explicitly value-based (Nelson et al., 2001; Prilleltensky, 2001) provide an important base upon which a more radical advocacy against the status quo can be built. However, community psychologists need to keep in mind that in order to contribute effectively to the aforementioned movements of resistance, the theories and practice of CP must have both psychopolitical validity, which I have argued is severely undermined due to our incomplete understanding of oppression, and structural validity. I believe that our discipline can be meaningfully shifted towards these criteria through new paths of learning that will elevate our critical understanding of oppression, and grassroots activities that are aimed at creating transformative spaces and institutions of civil society within our communities. By adopting this

two-pronged approach, psychopolitical and structural validity would be within the reach of community psychologists.

My recommendations for CP, broadly speaking, are as follows:

1. Include multidisciplinary critiques of the global political economy as an explicit part of CP's curriculum and problematize the historical origins of CP within the framework of the status quo.
2. Provide community psychologists with an explicit mandate to support, attend, and organize activities that serve to highlight and resist existing political and socioeconomic injustices.
3. Establish direct links with individuals, groups, and organizations around the world that are engaged in radical forms of advocacy for political and economic rights, in particular, those that seek increased community-based autonomy and self-determination.
4. Engage with those sectors of our local communities that might be willing to establish, or to reorganize existing, institutions and spaces along the lines of decentralized, participatory models of economics.

The first two recommendations are directed at familiarizing community psychologists with the structural roots of oppression through lessons that take place in the classroom and in our communities. We should be learning how to reflexively and critically analyze the political economy of the status quo at the same time as we are confronting its oppression through our political activities. The current dissertation will have hopefully imparted ideas of the kind of critical knowledge that CP should be seeking, however, the pursuit of this knowledge cannot take the place of real action. And while supporting or organizing protests and rallies against social injustice may not ultimately serve as a transformative project of social change, community

psychologists would be directly exposing themselves to power structure of the neoliberal status quo and expressing real solidarity with those we claim to struggle with.

The third recommendation aims to establish academic and cultural links between community psychologists and those aforementioned movements of resistance that are building promising spaces of counter-hegemony within the gaps that are left by neoliberalism. While CP emphasizes the building of relationships and partnerships with community organizations and other providers of human services, it is rare that we venture outside of our North American frames of reference to seek allies in our struggle against the status quo and to learn from alternative, and potentially more radical, paradigms of knowledge (for an exception, see Rossiter, Walsh-Bowers, and Prilleltensky, 2002). I believe that a much greater emphasis needs to be placed on reaching out to movements of social agitation and change in the global South, especially where communities are attempting to redefine the economic structure of labour and social relations by creating new models of autonomous political economy. CP could look to gatekeepers within our own communities that would be able to expedite the establishment of such links, e.g., Friends of the MST. Community psychologists could further facilitate this process by building a dedicated program to assist CP students in garnering the necessary financial support to complete their graduate practicum or thesis overseas within such communities.

The final recommendation suggests that community psychologists partner with community groups and organizations to establish parecon spaces that serve as a hub for the free and mutual exchange of information, goods and services, and so on. While certainly utopian in outlook and requiring significant dedication as well as creativity to pursue, this recommendation is also meant to underscore the necessity of a 'culture' of collective participation and autonomy, which itself requires a certain kind of social consciousness to pursue the five values I outlined earlier. I

believe that there are some tentative steps we can begin to take to establish this culture within CP. For example, at the political level, we can play a significant role in advocating for worker's and union's rights, en route to establishing new forms of self-management and participatory planning. Within community and work settings, we can utilize our expertise in participatory action and research to establish empowering and equitable social relationships that guide the process of decision-making and remuneration. We could promote liberation from the destructive neoliberal culture of possessive individualism and consumerism by advocating for the 'do-it-yourself' (DIY) approach towards satisfying some of our needs, even within our personal lives. Within academia, we can ensure that students share an empowering and equitable space for managing their own measures of education and research, and that they are offered consistent opportunities for participation in administrative affairs. We might also subvert the capitalist ethic of intellectual property rights by providing our writings free of charge on the internet, a step that some community psychologists have already taken. Furthermore, professors and students alike should offer critical recognition to the fact that we are directly benefiting from the economic exploitation of a class of individuals who perform the duties we find unappealing by offering a more inclusive environment for members of the supporting staff to participate in administrative decisions and by performing some of their responsibilities.

I anticipate that some criticism will be levelled at these recommendations, and indeed, at many of my arguments for their apparent lack of relevance to the overall project of community psychology and psychology in general. I see such assertions as being grounded in a fundamental oversight of the centrality of human behaviour to the economic, and thus, political fabric of society and the subsequent creation of a false divide between applied psychology and essential questions of political economy. In this sense, I see the pursuit of structural validity as part of a

larger, holistic endeavour, that asks some fundamental questions regarding the purpose of our role within society as citizens and as students of human behaviour who are advocating against the status quo. If we cannot, or will not, advocate for radical changes to the attitudes and behaviour of ourselves and others, within our private lives, our work, and our activism, in a manner that prefigures a system of political economy that secures economic justice for all, then, from my perspective, the project of community psychology is patently ameliorative. All community psychologists would be pursuing is the hope that the injustice and oppression of neoliberalism, a system of capitalism at its most destructive stage of development, can be somehow vitiated through our interventions.

However, if community psychologists insist on using a discourse that speaks of power, liberation, social justice and collective well-being within our research and praxis, then we need to start recognizing some of the fundamental ties between such concepts and the political and economic structure of our society, as well as their basic implications for our understanding of transformative social change. As Sloan (2005) argued,

> If we, as community psychologists and citizens, are going to address larger political and economic structures, we need to know what those structures are and how they came to be that way (p. 312).

It is my sincere hope that the current dissertation will have clarified what some of these structures are and how we might continue our struggle against oppression in a manner that is both critical and structurally valid. In the examples of Cochabamba and other models of resistance around the world, community psychologists should be able to see the immense threat that neoliberalism poses to the well-being of our communities, but also the reality of engaging in transformative resistance. It is through such stories of counter-hegemonic struggle that we can

derive the strength and courage to dream of a world that is truly just and free from oppression. I will leave my concluding remarks to the words of Oscar Olivera (2004):

> We have come to tell you that indifference must be transformed into militant action, into positive involvement with the struggle. Our individualism, our preoccupation with ourselves, has to be changed into solidarity among us all. We must stop seeing ourselves in competition with one another and regain confidence in our fellow activists, in our neighbours, and in our fellow workers. Our silence has to be transformed into a cry for global justice…
>
> This simple message of our experience in the South we offer to you as an example so that all the peoples of the world may have the possibility of speaking with one voice.
>
> They can privatize our natural resources and our workplaces. But they can never privatize our ability to dream of a world with justice (p.189).

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